

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2019



City of

BELLMEAD *Texas*

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***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Bellmead, Texas

**For the Year Ended
September 30, 2019**

Prepared by

Yousry Zakhary
Interim City Manager

Karen Evans, CPA
Chief Financial Officer



City of Bellmead, Texas

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City of Bellmead, Texas

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INTRODUCTORY SECTION





March 10, 2020

To the Honorable Mayor, City Council, and Citizens of the City of Bellmead, Texas

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

BrooksWatson & Co. PLLC, a firm of licensed independent certified public accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of the City

Bellmead was founded in the mid-1920's when the site was chosen for the locomotive shops of the Missouri, Kansas, and Texas railroad. The first school was named Bellmead in honor of Belle Meade Farms, a prominent horse farm in Tennessee.

Waco Army Airfield (later called James Connally Air Force Base) opened in 1942, just northeast of town. The town boasted a population of 25 in the early 1940s, which increased rapidly after World War II, rising to 800 by 1949. The community was incorporated in 1954 with a mayor-alderman government. By 1960, Bellmead had 5,127 residents and 85 businesses. When the air force base was closed in 1965, Texas A&M University established the James Connally Technical Institute at the facility. The City has since grown to an estimated population of 10,925.

The City of Bellmead is a home rule City and operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council which consists of a mayor and five council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government and appointing department heads.

The City provides a full range of services, including police and fire protection, construction and maintenance of streets, roads, and other infrastructure, solid waste collection, parks operation and maintenance, and administrative services necessary to serve the citizens of our community. Water and sewer services are operated under an enterprise fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. In addition, the City is also financially accountable for a legally separate economic development corporation, which is reported separately with the City's financial statements. Additional information on this legally separate entity can be found in the Notes to the Financial Statements.

The Council is required to adopt an initial budget for the fiscal year no later than September 27 preceding the beginning of the fiscal year on October 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police).

After adoption of the budget, the City Manager may transfer any unencumbered appropriation or portion thereof between general classifications of expenditures within a division or department. At the request of the City Manager and within the last three months of the fiscal year, the Council may by resolution, transfer any unencumbered appropriation or portion thereof from one division or department to another. After adoption, the City Council may amend the budget at any time.

Local Economy

The City of Bellmead is situated within the geographic center of Texas and is often referred to as the "Heart of Texas." At the confluence of the Bosque River and the 890-mile Brazos River, Bellmead lies between the three largest cities in the state: 90 miles south of Dallas, 190 miles northwest of Houston, and 180 miles northeast of San Antonio. It is less than 100 miles from the state capital of Austin. The City sits on the rich southern agricultural Backland Prairie on the east and cattle country of the rolling Grand Prairie on the west. Bellmead sits just to the east of Waco and the major north/south route of Interstate Highway 35 which stretches from Laredo at the Mexican border to Duluth, Minnesota in the north.

Bellmead enjoys vigorous sales tax and hotel tax revenues due to its proximity to Waco and Waco attractions. Secondary education is also available in the Bellmead area to include Baylor University, McLennan Community College, and Texas State Technical College.

Baylor University, a private Christian university and a nationally ranked research institution, provides a vibrant campus community for more than 15,000 students by blending interdisciplinary research with an international reputation for educational excellence and a faculty commitment to teaching and scholarship. Baylor is located only three miles south of Bellmead on Interstate 35.

Chartered in 1845 by the Republic of Texas through the efforts of Baptist pioneers, Baylor is the oldest continually operating university in Texas. Located in Waco, Baylor welcomes students from all 50 states and more than 80 countries to study a broad range of degrees among its 11 nationally recognized academic divisions. Baylor University enjoys high standing among many national rating services that evaluate quality of education, research activity, affordability, baccalaureate value, sustainability and athletic excellence.

McLennan Community College is located on a scenic 215-acre campus adjacent to Cameron Park and the Bosque River. Nestled among rolling hills and large trees, MCC has been recognized statewide for its natural beauty and outstanding architecture. The college also owns Highlander Ranch, a 200-acre horse farm located about five miles from campus and has an Emergency Services Education Center off campus near the Waco Regional Airport.

For more than 45 years, Texas State Technical College Waco has been providing top-quality technical education. The college is nationally recognized for the number and quality of our technology graduates. With more than 40,000 TSTC graduates employed throughout the state and nation, the tradition of excellence is strong.

TSTC Waco is committed to providing highly specialized and advanced technical education that can lead to great career opportunities. TSTC offers technical associate degrees, certificate programs and workforce mastery skills that give students a competitive edge in the job market. Students gain extensive hands-on experience in laboratories learning by doing, spending nearly 60 percent of their time working with the tools, technology and equipment they will use in their future careers.

TSTC offers career training for the future by providing solid basics and advanced technology applications and processes. Faculty members are experts in their fields, bringing real-world industry experience into the classroom and labs.

The City is situated directly adjacent to Interstate 35 which is currently undergoing a \$341 million construction upgrade by the Texas Department of Transportation (“TxDOT”). The project is designed to improve safety and mobility, add capacity, incorporate technology, and enhance the aesthetics of the interstate highway. The improvements will include widening the mainlanes to four lanes in each direction, improving frontage roads and ramps, reconstructing bridges and improve interchanges, adding u-turns, and improving bicycle and pedestrian access. Construction began in May 2019 and is expected to be completed in 2024. The expansion of I-35 provides an opportunity for commercial development throughout Bellmead.

American Bank, the iconic “Round Bank”, has begun construction on a new, state-of-the-art bank in Bellmead on the site of the current Round Bank. The new design will pay homage to the round Bank’s famous architecture while providing a state-of-the-art facility to serve the community. Construction of new Interactive teller Machines began in the fall of fiscal year 2019 and are slated to be completed in spring 2020. Construction of the new building will follow immediately thereafter.

Diversified Product Development, which makes specialized equipment for the utility industry, has announced plans to purchase 6.89 acres in the Bellmead Industrial Park and relocate its operations from downtown Waco to Bellmead in early FY 2020. The building will be 60,000 square feet with a potential expansion of another 30,000 square feet for lease space.

Major initiatives

On February 24, 2004, the City entered an interlocal cooperative agreement with the City of Waco and five other cities to acquire from Brazos River Authority the assets that comprise the Waco Metropolitan Area Regional Sewer System (WMARSS). The acquisition was funded by the issuance of bonds by the City of Waco and cash contributions by the member cities. The City's proportionate share is 5.707%. The City funded its share of the acquisition cost with a cash contribution from the Bellmead Development Corporation.

The City issued \$2,400,000 in certificates of obligation in fiscal year 2016 to fund the Transfer/LaSalle Lift Station and Force Main Project for the Waco Metropolitan Area Regional Sewer System. The funding has been transferred to the City of Waco that manages WMARSS. There are three parts to this project which is currently in the construction phase 1) Gravity Line, Odor Control Facility, Inverted Siphon, 2) Transfer Lift Station, and 3) Force Main to WMARSS Central Plant.

Effective October 1, 2019, the City will no longer be a partner along with all other Cities in the MSA of the Waco Metropolitan Area Regional Sewer System. The City entered into a new agreement with the City of Waco to transfer all WMARSS assets to the City of Waco. The City will retain its capacity share of the sewer system; however, the City will be a customer going forward and will no longer report WMARSS activity within the City’s financial statements.

In fiscal year 2014, the City issued 8,500,000 in certificates of obligation. \$4,500,000 was designated for the sewer interceptor project and ground and elevated storage tank coatings systems project.

\$4,000,000 was designated for constructing the new Municipal Court building, renovating the Police and Fire Department buildings, purchasing public safety vehicles, upgrading the police parking lot, and making needed street improvements. This important capital improvement project was substantially completed in fiscal year 2018; however, cost savings on all project components have been recommitted by the City Council for water/sewer infrastructure projects to include a 500,000-gallon elevated storage tank. Construction began on the storage tank in FY 2019 and is scheduled to be completed in FY 2020.

The sewer interceptor project is currently under design and construction is expected to begin in late FY 2020 to early FY 2021. This project will provide capacity for a large area of the City which is not currently served as well as an underserved area in which the infrastructure is insufficient. The project will be a great boost to the local economy and open a large area of the City which is ideal for future commercial development.

In fiscal year 2017, the City was awarded a \$1,900,000 Economic Development Administration grant for the reconstruction of 4,850 linear feet of a 40-foot-wide roadway known as Tirey Road to enable increased traffic capacity to support expansion and location of tenants in the industrial park. Tirey Road was completed in FY 2018, and the City utilized funding from the 2014 certificates of obligation as the City's matching portion. Cost savings on the Tirey Road project will be utilized to resurface Williams Road which is also adjacent to the industrial park.

In fiscal year 2018, the City issued \$2,000,000 in certificates of obligation to acquire and equip two fire trucks. The engine has already been put into use. The ladder truck is currently being built and will be ready for the City to put into use in early FY 2020.

In fiscal year 2019, the City kicked off a Bellmead beautification initiative. Code Enforcement has increased which has resulted in the demolition of multiple blighted properties. This is an ongoing process in which the City is working closely with the community and the Bellmead Economic Development Corporation to revitalize the areas and increase the appearance, property values, economic opportunity and safety of Bellmead.

Financial Procedures and Budgetary Controls

The City's accounting records for general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis. The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City department. Budgets are reviewed by the City Manager who submits a recommended budget to the City Council. The City Council approves all budget amendments. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Acknowledgements

The preparation of this report would not have been possible without the proficient and dedicated work of the entire staff of the Finance Department. We wish to thank all city departments for their assistance in providing the data necessary to prepare this report. We also wish to express our sincere appreciation to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



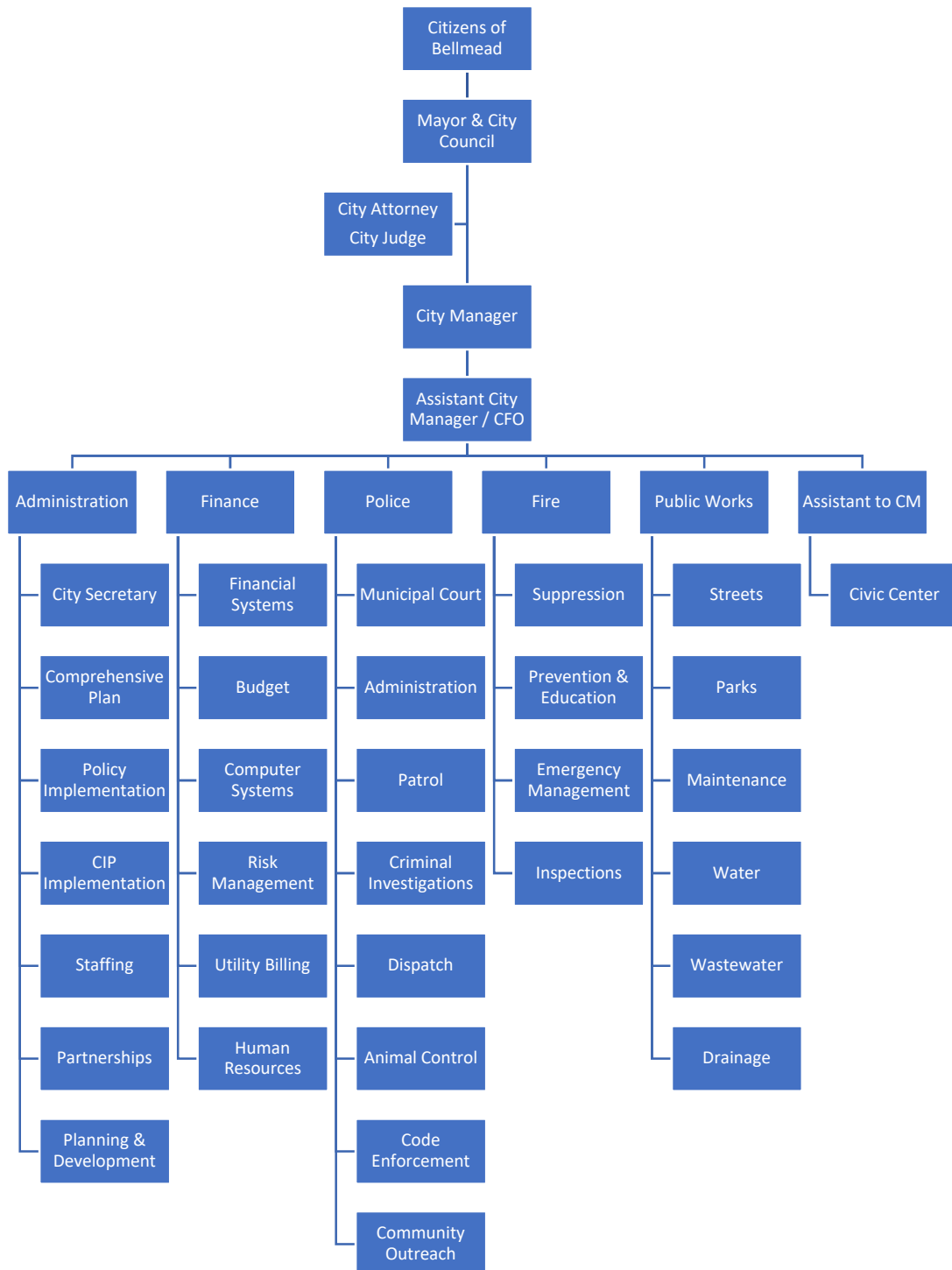
Yousry Zakhary
Interim City Manager



Karen Evans, CPA
Chief Financial Officer

BELLMEAD ORGANIZATIONAL CHART

September 30, 2019



City of Bellmead, Texas
ELECTED AND APPOINTED OFFICIALS
September 30, 2019

City Council

Travis Gibson	Mayor - Precinct 2
Dr. Alfreda Love	Mayor Pro Tem - Precinct 1
James Cleveland	Council Member - Precinct 3
William Ridings	Council Member - Precinct 4
Doss Youngblood	Council Member - Precinct 5
Gary Moore	Council Member - At Large

Appointed Officials

Yousry Zakhary	Interim City Manager
Charles Buenger	City Attorney
Ray Black	Municipal Judge
Karen Evans, CPA	Chief Financial Officer
Danny Smith	Interim Police Chief
William Hlavenka	Fire Chief
Charles Byrd	Interim Public Works Director
Rachael Lynch	City Secretary



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Bellmead, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bellmead, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.E. to the financial statements, the City restated beginning net position of governmental activities and the beginning fund balances of four governmental funds due to changes in reporting of the governmental funds. In addition, the City restated beginning net position for its component unit due to a change in fund reporting and an accounting correction to the prior year. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in net pension liabilities and related ratios, the schedule of employer contributions to pension plan, and schedule of changes in the other postemployment benefits liability and related ratios, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary comparison information, combining schedules for nonmajor funds, and statistical sections are presented for additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and combining schedules for nonmajor funds noted above are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

Brooks Watson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 10, 2020



***MANAGEMENT'S DISCUSSION
AND ANALYSIS***



City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2019

As management of the City of Bellmead, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019.

Financial Highlights

- The City's total combined net position is \$25,155,322 at September 30, 2019. Of this, \$9,963,868 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$8,951,960, a decrease of \$1,244,779.
- As of the end of the year, the unassigned fund balance of the general fund was \$1,874,484 or 31% of total general fund expenditures.
- The City had an overall increase in net position of \$1,599,438, which is primarily due to strong water and utility revenues and increased investment in capital assets compared to the prior year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Bellmead Economic Development Corporation (the "EDC") for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City of Bellmead. They are usually segregated for specific activities or objectives. The City of Bellmead uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Bellmead maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service, capital projects,

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2019

hotel/motel tax, court security and technology, and cable PEG funds. The general, capital projects, and hotel/motel tax funds are considered to be major funds.

The City of Bellmead adopts an annual appropriated budget for all funds, with the exception of the capital projects fund, the cable PEG fund, the child safety fund, the donation fund, and the seizure fund. Budgetary comparison schedules have been provided to demonstrate compliance with all governmental fund budgets that were appropriated.

Proprietary Funds

The City maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for its water and sewer utility services. All activities associated with providing such services are accounted for in this fund, including salaries and benefits, materials and supplies, and other operating expenses. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Component Unit

The City maintains the accounting and financial statements for one component unit. The Bellmead EDC is a discretely presented component unit displayed on the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires is a budgetary comparison schedule for the general fund, schedules for the City's Defined Pension Plan, and schedule for changes in postemployment benefits other than pension. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Bellmead, assets exceeded liabilities by \$25,155,322 as of September 30, 2019, in the primary government.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2019

The largest portion of the City's net position, \$8,683,511, reflects its investments in capital assets (e.g., land, buildings and improvements, machinery and equipment roads, bridges, sidewalks, and similar items), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$6,507,943, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,963,868 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Current assets of governmental activities as of September 30, 2019 and September 30, 2018 were \$9,333,058 and \$10,721,746, respectively. The decrease of \$1,388,688 was primarily attributable to prior year bond proceeds being spent on capital investments in the current year.

Current assets of business-type activities as of September 30, 2019 and September 30, 2018 were \$9,251,386 and \$10,173,913, respectively. The decrease of \$922,527 was primarily attributable to cash on hand being utilized on additional capital asset investments in the current year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2019

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and						
other assets	\$ 9,333,058	\$ 9,251,386	\$ 18,584,444	\$ 10,721,746	\$ 10,173,913	\$ 20,895,659
Capital assets, net	10,635,191	8,807,023	19,442,214	9,080,790	7,261,191	16,341,981
Net pension asset	-	-	-	490,519	47,691	538,210
Total Assets	19,968,249	18,058,409	38,026,658	20,293,055	17,482,795	37,775,850
Deferred Outflows of Resources	852,990	99,090	952,080	274,183	26,657	300,840
Other liabilities	423,177	972,795	1,395,972	360,523	1,035,164	1,395,687
Long-term liabilities	6,036,748	6,021,505	12,058,253	5,908,947	6,350,601	12,259,548
Total Liabilities	6,459,925	6,994,300	13,454,225	6,269,470	7,385,765	13,655,235
Deferred Inflows of Resources	330,766	38,425	369,191	788,873	76,698	865,571
Net Position:						
Net investment						
in capital assets	5,355,050	3,328,461	8,683,511	5,429,861	2,428,272	7,858,133
Restricted	6,507,943	-	6,507,943	6,517,749	-	6,517,749
Unrestricted	2,167,555	7,796,313	9,963,868	1,561,285	7,618,717	9,180,002
Total Net Position	\$ 14,030,548	\$ 11,124,774	\$ 25,155,322	\$ 13,508,895	\$ 10,046,989	\$ 23,555,884

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

Statement of Activities:

The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2019			For the Year Ended September 30, 2018		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Primary Government	Activities	Activities	Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 976,872	\$ 2,655,901	\$ 3,632,773	\$ 940,152	\$ 2,630,303	\$ 3,570,455
Grant contributions	531,158	1,200,000	1,731,158	1,299,018	-	1,299,018
General revenues:						
Property taxes	1,400,884	-	1,400,884	1,282,797	-	1,282,797
Sales taxes	3,310,684	-	3,310,684	3,175,854	-	3,175,854
Franchise taxes	529,060	-	529,060	513,562	-	513,562
Hotel and motel taxes	554,457	-	554,457	599,513	-	599,513
Investment income	183,121	177,700	360,821	166,038	39,134	205,172
Other revenues	157,550	69,398	226,948	244,170	54,606	298,776
Total Revenues	7,643,786	4,102,999	11,746,785	8,221,104	2,724,043	10,945,147
Expenses						
General government	1,065,045	-	1,065,045	1,069,756	-	1,069,756
Public safety	3,958,572	-	3,958,572	3,963,259	-	3,963,259
Public works	906,923	-	906,923	809,098	-	809,098
Garbage services	706,630	-	706,630	715,735	-	715,735
Culture and recreation	681,657	-	681,657	546,113	-	546,113
Interest and fiscal charges	168,736	179,504	348,240	202,496	182,264	384,760
Water & sewer	-	2,480,280	2,480,280	-	2,364,087	2,364,087
Total Expenses	7,487,563	2,659,784	10,147,347	7,306,457	2,546,351	9,852,808
Change in Net Position						
Before Transfers	156,223	1,443,215	1,599,438	914,647	177,692	1,092,339
Transfers	365,430	(365,430)	-	(1,123,891)	1,123,891	-
Total	365,430	(365,430)	-	(1,123,891)	1,123,891	-
Change in Net Position	521,653	1,077,785	1,599,438	(209,244)	1,301,583	1,092,339
Beginning Net Position	13,508,895	10,046,989	23,555,884	13,718,139	8,745,406	22,463,545
Ending Net Position	\$ 14,030,548	\$ 11,124,774	\$ 25,155,322	\$ 13,508,895	\$ 10,046,989	\$ 23,555,884

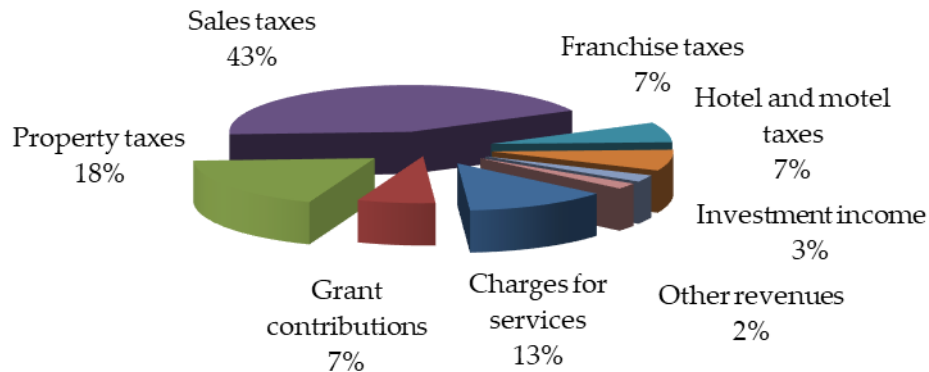
City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2019

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

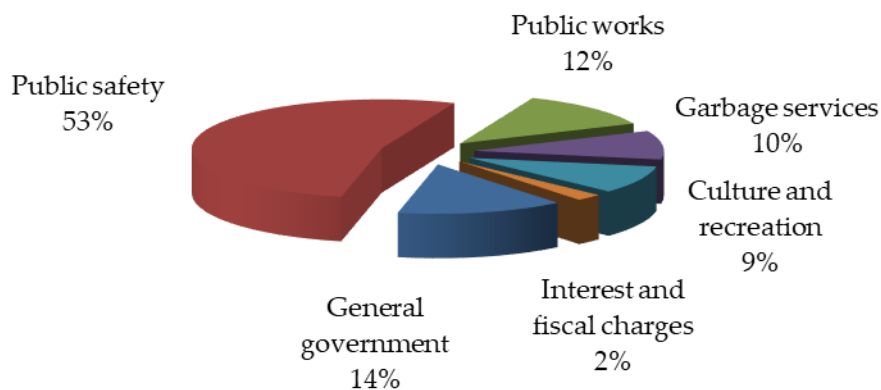
Governmental Activities - Revenues



For the year ended September 30, 2019, revenues from governmental activities totaled \$7,643,786. Property tax, sales tax and charges for services are the City's largest revenue sources. Grant contributions decreased \$767,860 or 59% primarily due to nonrecurring economic development grant revenue received in the prior year. Property tax revenue increased by \$118,087 or 9% due to increases in the tax rate and appraised property tax values. Investment income increased by \$17,083 or 10% due to an increase in interest-bearing cash accounts. Other revenues decreased by \$86,620 or 35% primarily as a result of nonrecurring insurance reimbursements received in the prior year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



For the year ended September 30, 2019, expenses for governmental activities totaled \$7,487,563. This represents an increase of \$181,106 or 2% from the prior year. The City's largest functional expense is public safety of \$3,958,572, which primarily includes operational and administrative costs for the City's

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

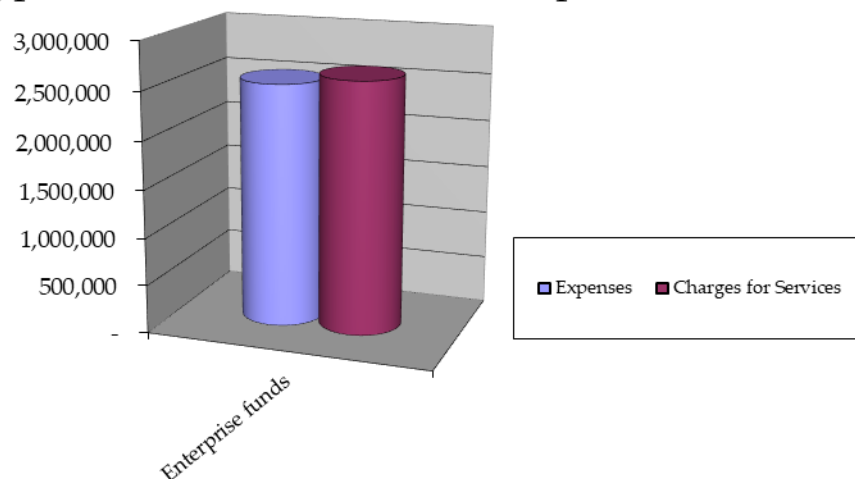
September 30, 2019

police and fire suppression activities. Public safety expenditures remained consistent compared to the prior year. General government expenses decreased by \$4,711 or 0% primarily due to the actuarial valuation changes to the City's net pension obligations. In the prior year, the City recognized a net pension asset. In the current year, the City recognized a net pension liability. Public works increased by \$97,825 or 12% primarily due to noncapitalizable repairs and maintenance costs during the year. Culture and recreation expenses increased by \$135,544 or 25% primarily due to increased advertising/marketing expenses to promote tourism to the City. In addition, the City spent more on building maintenance. Interest and fiscal charges decreased by \$33,760 or 17% primarily due to the recognition of bond issuance costs in the prior year. All other expenditures remained relatively consistent with the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.

For the year ended September 30, 2019, charges for services by business-type activities totaled \$2,655,901. This represents a decrease of \$25,598 or 1% from the previous year. The decrease is primarily a result of garbage service revenue being transitioned to the general fund. In the prior year, garbage service revenue was reported in the water and sewer fund.

Business-Type Activities - Revenues and Expenses



Total expenses decreased by \$113,433 or 4% from the prior year, which is primarily due to sanitation expenses being transitioned to the general fund. In the prior year, garbage services were reported in the water and sewer fund.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$1,883,858, \$1,874,484 of which is unassigned. The general fund increased by \$143,449 primarily due to transfers in from other funds.

The capital projects fund reflected an ending balance of \$1,059,715, a decrease of \$2,792,487. This decrease is directly a result of significant capital outlay expenditures exceeding current year investment income

The hotel/motel tax fund reflected an ending balance of \$1,737,576, a decrease of \$21,350. This decrease is primarily due to current year expenditures and transfers out exceeding income.

The street maintenance fund reflected an ending balance of \$3,056,444, an increase of \$578,586. The increase is primarily due current year property tax revenues significantly exceeding street maintenance expenses.

There was an overall decrease in the governmental fund balance of \$1,244,779 over the prior year. The decrease was primarily due to significant capital outlay expenditures in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$509,441 in the general fund. This is a combination of a positive revenue variance of \$131,786, a positive expenditure variance of \$362,920, and a positive variance of \$14,735 in other financing sources and uses. The most significant revenue variances were for intergovernmental revenues, fines and forfeitures, and other revenues. The most significant expenditure variances were for general government, public safety and public works. The city council and fire departments were over budget at the legal of control.

The original general fund budget deficit of \$151,797 was amended during the year to a final budgeted deficit of \$372,533. Significant amendments include an increase in the charges for services revenues to

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2019

account for refuse. In addition, expenditures were amended to include refuse expenditures and building maintenance expenditures, as well as reduce anticipated transfers in. Several other reclassifications and amendments were also made.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$10,635,191 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$8,807,023 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Williams Road. improvements totaling \$199,659.
- Purchase of 2019 Pierce MID mount tower ladder amounting to \$1,316,578.
- Purchase of 2019 Pierce Enforcer PUC amounting to \$707,590.
- Purchase of two new police vehicles for \$92,240.
- Purchase of 10.209 acres of land for \$312,714 for new sewer interceptor.
- New elevated storage tank totaling \$163,810.
- \$1,437,679 in additions to construction in progress for the City's shared centralized regional service facilities with the City of Waco, otherwise known as Waco Metropolitan Area Regional Sewerage System ("WMARSS").

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$11,255,000. During the year, the City had principal payments on bonds and notes payable of \$624,304. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Bellmead and improving services provided to their public citizens. The City is budgeting conservatively for the upcoming year and planning to maintain similar services.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2019

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Bellmead's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Office of the City Manager, City of Bellmead, Texas, 3015 Bellmead Drive, Bellmead, Texas 76705.



FINANCIAL STATEMENTS

City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 7,317,242	\$ 6,597,454	\$ 13,914,696
Restricted cash	-	1,350,703	1,350,703
Investments	1,071,447	971,280	2,042,727
Receivables, net	934,995	331,949	1,266,944
Long-term receivables due within one year	-	-	-
Prepays	9,374	-	9,374
Total Current Assets	9,333,058	9,251,386	18,584,444
Capital assets:			
Non-depreciable	1,686,064	3,039,670	4,725,734
Net depreciable capital assets	8,949,127	5,767,353	14,716,480
Long-term receivables due in more than one year	-	-	-
	10,635,191	8,807,023	19,442,214
Total Assets	19,968,249	18,058,409	38,026,658
<u>Deferred Outflows of Resources</u>			
Pension contributions	207,896	24,151	232,047
Pension changes in assumption	12,213	1,419	13,632
Pension investment returns	630,258	73,216	703,474
OPEB contributions	709	82	791
OPEB difference in experience	1,914	222	2,136
Total Deferred Outflows of Resources	852,990	99,090	952,080

See Notes to Financial Statements.

Component Unit	
Bellmead Economic	
Development Corporation	

\$	3,283,657
	-
	650,672
	107,405
	107,602
	-
	4,149,336

	1,431,753
	-
	571,281
	2,003,034
	6,152,370

	-
	-
	-
	-
	-
	-

City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 245,094	\$ 244,134	\$ 489,228
Accrued interest payable	13,857	14,072	27,929
Customer deposits	-	391,872	391,872
Compensated absences, current	164,226	2,717	166,943
Long-term debt due within one year	250,000	320,000	570,000
Total Current Liabilities	673,177	972,795	1,645,972
Noncurrent liabilities:			
Long-term debt due in more than one year	5,023,261	5,934,630	10,957,891
Compensated absences, noncurrent	18,247	302	18,549
Net pension liability	589,690	68,503	658,193
OPEB liability	155,550	18,070	173,620
	5,786,748	6,021,505	11,808,253
Total Liabilities	6,459,925	6,994,300	13,454,225
<u>Deferred Inflows of Resources</u>			
Pension difference in experience	329,167	38,239	367,406
OPEB changes in assumption	1,599	186	1,785
Deferred Inflows of Resources	330,766	38,425	369,191
<u>Net Position</u>			
Net investment in capital assets	5,355,050	3,328,461	8,683,511
Restricted for:			
Debt service	288,890	-	288,890
Capital projects	1,365,269	-	1,365,269
Municipal court	59,764	-	59,764
Tourism	1,737,576	-	1,737,576
Streets	3,056,444	-	3,056,444
Economic development	-	-	-
Unrestricted	2,167,555	7,796,313	9,963,868
Total Net Position	\$ 14,030,548	\$ 11,124,774	\$ 25,155,322

See Notes to Financial Statements.

Component Unit
Bellmead Economic
Development Corporation

\$	41,882
	-
	-
	-
	-
	41,882
	-
	-
	-
	-
	41,882
	-
	-
	-
	-
	1,431,753
	-
	-
	-
	-
	-
	4,678,735
	-
\$	6,110,488

City of Bellmead, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 1,065,045	\$ 124,124	\$ 268,500
Public safety	3,958,572	187,367	126,958
Public works	906,923	-	-
Garbage services	706,630	665,381	-
Culture and recreation	681,657	-	135,700
Interest and fiscal charges	168,736	-	-
Total Governmental Activities	<u>7,487,563</u>	<u>976,872</u>	<u>531,158</u>
Business-Type Activities			
Water and sewer	2,659,784	2,655,901	1,200,000
Total Business-Type Activities	<u>2,659,784</u>	<u>2,655,901</u>	<u>1,200,000</u>
Total Primary Government	<u>\$ 10,147,347</u>	<u>\$ 3,632,773</u>	<u>\$ 1,731,158</u>
Component Unit			
Economic Development Corporation	1,628,613	-	-
	<u>\$ 1,628,613</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Franchise taxes
 Hotel and motel taxes
 Investment income
 Other revenues
 Gain on sale of assets
 Insurance recoveries

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Bellmead Economic Development Corporation
\$ (672,421)	\$ -	\$ (672,421)	\$ -
(3,644,247)	-	(3,644,247)	-
(906,923)	-	(906,923)	-
(41,249)	-	(41,249)	-
(545,957)	-	(545,957)	-
(168,736)	-	(168,736)	-
(5,979,533)	-	(5,979,533)	-
-	1,196,117	1,196,117	-
-	1,196,117	1,196,117	-
(5,979,533)	1,196,117	(4,783,416)	-
			(1,628,613)
			(1,628,613)
1,400,884	-	1,400,884	-
3,310,684	-	3,310,684	650,042
529,060	-	529,060	-
554,457	-	554,457	-
183,121	177,700	360,821	115,642
5,310	69,398	74,708	-
115,387	-	115,387	-
36,853	-	36,853	-
365,430	(365,430)	-	-
6,501,186	(118,332)	6,382,854	765,684
521,653	1,077,785	1,599,438	(862,929)
13,508,895	10,046,989	23,555,884	6,973,417
\$ 14,030,548	\$ 11,124,774	\$ 25,155,322	\$ 6,110,488

City of Bellmead, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2019

	General	Capital Projects	Hotel/Motel Tax
<u>Assets</u>			
Cash and cash equivalents	\$ 1,254,721	\$ 923,582	\$ 1,495,148
Investments	178,662	136,133	219,988
Receivables, net	687,526	-	100,805
Prepays	9,374	-	-
Total Assets	\$ 2,130,283	\$ 1,059,715	\$ 1,815,941
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 146,282	\$ -	\$ 78,365
Total Liabilities	146,282	-	78,365
<u>Deferred Inflows of Resources</u>			
Unavailable revenue			
Property taxes	100,143	-	-
Total Deferred Inflows of Resources	100,143	-	-
<u>Fund Balances</u>			
Nonspendable:			
Prepaid items	9,374	-	-
Restricted for:			
Tourism	-	-	1,737,576
Economic development	-	-	-
Special donations	-	-	-
Public safety	-	-	-
Debt service	-	-	-
Capital projects	-	1,059,715	-
Streets	-	-	-
Unassigned reported in:			
General fund	1,874,484	-	-
Total Fund Balances	1,883,858	1,059,715	1,737,576
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,130,283	\$ 1,059,715	\$ 1,815,941

See Notes to Financial Statements.

<u>Street Maintenance</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,573,758	\$ 1,070,033	\$ 7,317,242
378,966	157,698	1,071,447
107,405	39,259	934,995
-	-	9,374
<u>3,060,129</u>	<u>\$ 1,266,990</u>	<u>\$ 9,333,058</u>
3,685	\$ 16,762	\$ 245,094
<u>3,685</u>	<u>16,762</u>	<u>245,094</u>
-	35,861	136,004
<u>-</u>	<u>35,861</u>	<u>136,004</u>
-	-	9,374
-	-	1,737,576
-	537,708	537,708
-	1,725	1,725
-	80,490	80,490
-	288,890	288,890
-	305,554	1,365,269
3,056,444	-	3,056,444
-	-	1,874,484
<u>3,056,444</u>	<u>1,214,367</u>	<u>8,951,960</u>
<u>\$ 3,060,129</u>	<u>\$ 1,266,990</u>	<u>\$ 9,333,058</u>



City of Bellmead, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2019

Fund Balances - Total Governmental Funds	\$ 8,951,960
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	1,686,064
Capital assets - net depreciable	8,949,127
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	136,004
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditure) until then.	
Pension contributions	207,896
OPEB contributions	709
Pension difference in experience	(329,167)
OPEB difference in experience	1,914
Pension investment returns	630,258
Pension changes in assumption	12,213
OPEB changes in assumption	(1,599)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(13,857)
Compensated absences	(182,473)
Bond premium	(143,261)
Net pension liability	(589,690)
OPEB liability	(155,550)
Non-current liabilities due in one year	(250,000)
Non-current liabilities due in more than one year	(4,880,000)
Net Position of Governmental Activities	\$ 14,030,548

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	General	Capital Projects	Hotel/Motel Tax
<u>Revenues</u>			
Property tax	\$ 1,033,855	\$ -	\$ -
Sales taxes	2,660,638	-	-
Franchise taxes	514,688	-	-
Hotel and motel taxes	-	-	554,457
License and permits	57,517	-	-
Charges for services	668,368	-	63,620
Intergovernmental revenue	395,458	-	-
Fines and forfeitures	167,882	-	-
Investment income	34,460	60,144	29,807
Other revenue	-	-	-
Total Revenues	5,532,866	60,144	647,884
<u>Expenditures</u>			
Current:			
General government -			
General government	147,893	-	-
Administration	385,823	-	-
City council	13,485	-	-
Finance	449,878	-	-
Public safety -			
Police	2,391,963	-	-
Court	225,410	-	-
Fire	1,216,127	-	-
Culture and recreation -			
Parks and recreation	59,167	-	-
Economic development	-	-	-
Tourism	-	-	496,023
Public works	396,076	4,106	-
Building maintenance	19,609	-	-
Refuse	706,630	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	2,047,051	-
Total Expenditures	6,012,061	2,051,157	496,023
Excess of Revenues Over (Under) Expenditures	(479,195)	(1,991,013)	151,861

Street Maintenance	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
\$	\$ 409,899	\$ 1,443,754
650,046	-	3,310,684
-	14,372	529,060
-	-	554,457
-	-	57,517
-	-	731,988
-	135,700	531,158
-	19,485	187,367
41,837	16,873	183,121
-	5,310	5,310
<u>691,883</u>	<u>601,639</u>	<u>7,534,416</u>
-	-	147,893
-	-	385,823
-	3,859	17,344
-	-	449,878
-	12,066	2,404,029
-	9,014	234,424
-	-	1,216,127
-	-	59,167
-	33,199	33,199
-	-	496,023
88,297	210,760	699,239
-	-	19,609
-	-	706,630
-	225,000	225,000
-	177,547	177,547
-	-	2,047,051
<u>88,297</u>	<u>671,445</u>	<u>9,318,983</u>
603,586	(69,806)	(1,784,567)

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2019

	General	Capital Projects	Hotel/Motel Tax
<u>Other Financing Sources (Uses)</u>			
Transfers in	575,930	-	-
Transfers (out)	(15,355)	(901,474)	(185,500)
Proceeds from sale of capital assets	37,505	100,000	-
Insurance recoveries	24,564	-	12,289
Total Other Financing Sources (Uses)	622,644	(801,474)	(173,211)
Net Change in Fund Balances	143,449	(2,792,487)	(21,350)
Beginning fund balances	1,740,409	3,852,202	1,758,926
Ending Fund Balances	\$ 1,883,858	\$ 1,059,715	\$ 1,737,576

See Notes to Financial Statements.

Street Maintenance	Other Governmental	Governmental Funds
-	943,051	1,518,981
(25,000)	(26,222)	(1,153,551)
-	-	137,505
-	-	36,853
(25,000)	916,829	539,788
578,586	847,023	(1,244,779)
2,477,858	367,344	10,196,739
<u>\$ 3,056,444</u>	<u>\$ 1,214,367</u>	<u>\$ 8,951,960</u>



City of Bellmead, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (1,244,779)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,453,626
Depreciation expense	(877,107)
Adjustment for capital assets sold	(22,118)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property tax receivable	(42,870)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	66,916
Accrued interest	533
Pension expense	(33,141)
OPEB expense	(12,685)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of bond premium	8,278
Principal payments	225,000

Change in Net Position of Governmental Activities	\$ 521,653
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See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2019

	<u>Water & Sewer</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 6,597,454
Restricted cash	1,350,703
Investments	971,280
Receivables, net	331,949
Total Current Assets	9,251,386
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	3,039,670
Net depreciable capital assets	5,767,353
Total Noncurrent Assets	8,807,023
Total Assets	18,058,409
<u>Deferred Outflows of Resources</u>	
Pension contributions	24,151
Pension changes in assumption	1,419
Pension investment returns	73,216
OPEB difference in experience	222
OPEB contributions	82
Total Deferred Outflows of Resources	99,090
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	244,134
Accrued interest	14,072
Customer deposits	391,872
Compensated absences - current	2,717
Bonds and notes payable - current	320,000
Total Current Liabilities	972,795
<u>Noncurrent Liabilities</u>	
Compensated absences - noncurrent	302
Net pension liability	68,503
OPEB liability	18,070
Bonds and notes payable - noncurrent	5,934,630
Total Liabilities	6,994,300
<u>Deferred Inflows of Resources</u>	
Pension difference in experience	38,239
OPEB changes in assumption	186
Total Deferred Inflows of Resources	38,425
<u>Net Position</u>	
Net investment in capital assets	3,328,461
Unrestricted	7,796,313
Total Net Position	\$ 11,124,774

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2019

	Water & Sewer
<u>Operating Revenues</u>	
Water sales	\$ 1,700,971
Sewer charges	869,700
Other charges for services	85,230
Intergovernmental revenue	1,200,000
Other	69,398
Total Operating Revenues	3,925,299
<u>Operating Expenses</u>	
Salaries and benefits	478,730
Materials and supplies	1,080,664
Contractual supplies	345,101
Depreciation	575,785
Total Operating Expenses	2,480,280
Operating Income (Loss)	1,445,019
<u>Nonoperating Revenues (Expenses)</u>	
Interest income	177,700
Interest expenses	(179,504)
Total Nonoperating Revenues (Expenses)	(1,804)
Income (Loss) Before Transfers	1,443,215
Transfers (out)	(365,430)
Total Transfers	(365,430)
Change in Net Position	1,077,785
Beginning net position	10,046,989
Ending Net Position	\$ 11,124,774

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2019

	Water & Sewer
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 3,899,545
Payments to suppliers	(1,480,098)
Payments to employees	(481,789)
Payments/receipts for other	(3,865)
Net Cash Provided by Operating Activities	1,933,793
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating transfers (out)	(365,430)
Net Cash Provided (Used) by Noncapital Financing Activities	(365,430)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(2,134,349)
Proceeds from sale of capital assets	27,773
Transfers from other funds for capital purchases	3,974,368
Principal paid on debt	(399,304)
Interest paid on debt	(188,276)
Net Cash (Used) by Capital and Related Financing Activities	1,280,212
<u>Cash Flows from Investing Activities</u>	
Purchases of investments, net	1,220,851
Interest on investments	177,700
Net Cash Provided by Investing Activities	1,398,551
Net Increase (Decrease) in Cash and Cash Equivalents	4,247,126
Beginning cash and cash equivalents	3,701,031
Ending Cash and Cash Equivalents	\$ 7,948,157

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2019

	<u>Water & Sewer</u>
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 1,417,246
Adjustments to reconcile operating income to net cash provided:	
Depreciation	575,785
Loss on sale of capital assets	12,732
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(26,701)
Inventory	5,000
Due from/to other funds	(3,865)
Deferred outflows of resources - pension	(153,120)
Deferred outflows of resources - OPEB	(7)
Deferred inflows of resources - pension	41,223
Deferred inflows of resources - OPEB	1,198
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(59,333)
Compensated absences	(11,739)
Customer deposits	15,988
OPEB liability	3,192
Net pension liability	116,194
Net Cash Provided by Operating Activities	\$ 1,933,793

See Notes to Financial Statements.



City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City of Bellmead, Texas (the "City") is a home-rule municipal corporation organized and existing under the provisions of the Constitution of the State of Texas. The City operates under a Council-Manager form of government and provides the following services: general government, public safety (police and fire), highways and streets, economic development, and culture and recreation.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity.

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Discretely Presented Component Unit

Bellmead Economic Development Corporation (the “EDC”)

The EDC is a legally separate entity responsible for certain economic developments benefiting all citizens of the government and is financed by a portion of sales tax revenue. The EDC is governed by a board compromised by City Council members and citizens of the community. The EDC does not provide services entirely, or almost entirely to the City, nor does it maintain debt of any type that are repaid using City resources. Discrete presentation is appropriate because the EDC’s Board is not substantially the same as the City. Separate financial statements have not been prepared.

C. Basis of Presentation Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government’s water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government’s funds. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

The government reports the following major governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The City reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, hotel occupancy taxes, licenses and permits, and fines and forfeitures. Expenditures include general government, public safety, public works, economic development, and culture and recreation.

Capital Projects Fund

The capital projects fund is used to account for the acquisition or construction of capital assets.

Street Maintenance Fund

The street maintenance fund is used to account for the .25% street maintenance sales tax that was approved by voters and became effective July 1, 2010. The street maintenance sales tax may only be used for the repairs and maintenance of existing streets at the date the tax was adopted and must be reauthorized every four years to remain in effect. The current street maintenance tax expires on April 1, 2022.

Hotel/Motel Tax Fund

The hotel/motel tax fund accounts for the receipts and allocation of the City's occupancy tax imposed on the rental of hotel-motel rooms. State law requires these funds are to be used to promote tourism and related activities within the City.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

Water and Sewer Fund

The Water and Sewer Fund accounts for the activities of the water distribution system, the sewage treatment plant, sewage pumping stations and collection systems.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexStar, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method, whereas inventories held for resale are reported at lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Equipment	3 - 20 years
Infrastructure	40 years
Water and sewer facilities	5 - 30 years
Buildings and improvements	5 - 30 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments,

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits plan, with retiree coverage. The TMRS Supplemental Death Benefits Fund (SDBF) covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of the capital projects fund, the cable PEG fund, the child safety fund, the donation fund, and the seizure fund.

The appropriated budget is prepared by fund, function, and department. The legal level of control is the department level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several budget amendments were made during the year. Expenditures exceeded appropriations in the general fund city council and fire by \$17 and \$1,286, respectively.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2019, the primary government had the following investments:

Investment Type	Value	Average Maturity (Years)
Certificates of deposit	\$ 2,042,727	0.37
External investment pools	12,383,292	0.09
Total value	<u>\$ 14,426,019</u>	
Portfolio weighted average maturity		0.13

As of September 30, 2019, the discretely presented component unit had the following investments:

Investment Type	Value	Average Maturity (Years)
Certificates of deposit	\$ 650,672	0.66
External investment pools	2,920,012	0.09
Total value	<u>\$ 3,570,684</u>	
Portfolio weighted average maturity		0.19

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk – The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2019, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAAM. As a requirement to maintain the rating, weekly portfolio information

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Hotel/ Motel Tax	Street Maintenance	Nonmajor Governmental	Water & Sewer	Total
Property taxes	\$ 113,646	\$ -	\$ -	\$ 40,626	\$ -	\$ 154,272
Sales tax	507,997	-	107,405	-	-	615,402
Grants	10,561	-	-	-	-	10,561
Hotel/motel taxes	-	100,805	-	-	-	100,805
Accounts	65,367	-	-	-	333,833	399,200
Other	8,270	-	-	3,398	-	11,668
Allowance	(18,315)	-	-	(4,765)	(1,884)	(24,964)
	<u>\$ 687,526</u>	<u>\$ 100,805</u>	<u>\$ 107,405</u>	<u>\$ 39,259</u>	<u>\$ 331,949</u>	<u>\$ 1,266,944</u>

The following comprise receivable balances of the discretely presented component unit at year end:

	EDC	Total
Sales tax	\$ 107,405	\$ 107,405
Note receivable	678,883	678,883
	<u>\$ 786,288</u>	<u>\$ 786,288</u>

The EDC constructed a building, which is being utilized as a plant and office space by Texas Machine & Tool International, LLC ("TMI"). The EDC entered into a 10-year promissory note with TMI to purchase the property in the amount of \$1,093,146. The following summarizes the remaining balance as of September 30, 2019.

Year ending September 30,	Component Unit		
	Principal	Interest	Total
2020	\$ 107,602	\$ 28,349	\$ 135,951
2021	112,545	23,405	135,950
2022	117,715	18,235	135,950
2023	123,123	12,827	135,950
2024	128,779	7,171	135,950
2025	89,119	1,511	90,630
Total	<u>\$ 678,883</u>	<u>\$ 91,498</u>	<u>\$ 770,381</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Disposals / Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,339,440	\$ -	\$ -	\$ 1,339,440
Construction in progress	146,966	199,658	-	346,624
Total capital assets not being depreciated	<u>1,486,406</u>	<u>199,658</u>	<u>-</u>	<u>1,686,064</u>
Capital assets, being depreciated:				
Infrastructure	4,611,376	10,689	-	4,622,065
Buildings and improvements	5,097,756	-	(6,254)	5,091,502
Equipment	5,748,284	2,243,279	(2,562,098)	5,429,465
Total capital assets being depreciated	<u>15,457,416</u>	<u>2,253,968</u>	<u>(2,568,352)</u>	<u>15,143,032</u>
Less accumulated depreciation				
Infrastructure	731,782	365,655	-	1,097,437
Buildings and improvements	2,450,925	168,232	(6,254)	2,612,903
Equipment	4,680,325	343,220	(2,539,980)	2,483,565
Total accumulated depreciation	<u>7,863,032</u>	<u>877,107</u>	<u>(2,546,234)</u>	<u>6,193,905</u>
Net capital assets being depreciated	<u>7,594,384</u>	<u>1,376,861</u>	<u>(22,118)</u>	<u>8,949,127</u>
Total Capital Assets	<u><u>\$ 9,080,790</u></u>	<u><u>\$ 1,576,519</u></u>	<u><u>\$ (22,118)</u></u>	<u><u>\$ 10,635,191</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 73,367
Public safety	298,531
Public works	387,463
Culture and recreation	117,746
Total Governmental Activities Depreciation Expense	<u><u>\$ 877,107</u></u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Disposals / Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 38,799	\$ 312,714	\$ -	\$ 351,513
Construction in progress	1,920,836	1,633,897	(866,576)	2,688,157
Total capital assets not being depreciated	<u>1,959,635</u>	<u>1,946,611</u>	<u>(866,576)</u>	<u>3,039,670</u>
Capital assets, being depreciated:				
Buildings and improvements	876,137	-	(10,903)	865,234
Water and sewer facilities	8,258,303	48,185	(1,728,355)	6,578,133
WMARSS facilities	2,094,569	93,045	(3,157)	2,184,457
Equipment	1,519,499	46,508	(279,284)	1,286,723
Total capital assets being depreciated	<u>12,748,508</u>	<u>187,738</u>	<u>(2,021,699)</u>	<u>10,914,547</u>
Less accumulated depreciation				
Buildings and improvements	248,842	43,262	(10,903)	281,201
Water and sewer facilities	5,015,790	351,060	(2,583,152)	2,783,698
WMARSS facilities	908,523	116,908	(14,934)	1,010,497
Equipment	1,273,797	64,555	(266,554)	1,071,798
Total accumulated depreciation	<u>7,446,952</u>	<u>575,785</u>	<u>(2,875,543)</u>	<u>5,147,194</u>
Net capital assets being depreciated	5,301,556	(388,047)	853,844	5,767,353
Total Capital Assets	<u><u>\$ 7,261,191</u></u>	<u><u>\$ 1,558,564</u></u>	<u><u>\$ (12,732)</u></u>	<u><u>\$ 8,807,023</u></u>

As of September 30, 2019, the City's discretely presented component unit held land assets totaling \$1,431,753.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

D. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The City uses the debt service fund to liquidate governmental activities debts.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Amortization/ Payments</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 5,355,000	\$ -	\$ (225,000)	\$ 5,130,000	\$ 250,000
Less deferred amounts:					
For issuance premiums	151,539	-	(8,278)	143,261	-
Total Governmental Activities	<u>\$ 5,506,539</u>	<u>\$ -</u>	<u>\$ (233,278)</u>	<u>\$ 5,273,261</u>	<u>\$ 250,000</u>
Long-term liabilities due in more than one year				<u>\$ 5,023,261</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 6,440,000	\$ -	\$ (315,000)	\$ 6,125,000	\$ 320,000
Less deferred amounts:					
For issuance premiums	137,719	-	(8,089)	129,630	-
	<u>6,577,719</u>	<u>-</u>	<u>(323,089)</u>	<u>6,254,630</u>	<u>320,000</u>
Other liabilities:					
Notes payable	84,304	-	(84,304)	-	-
Total Business-Type Activities	<u>\$ 6,662,023</u>	<u>\$ -</u>	<u>\$ (407,393)</u>	<u>\$ 6,254,630</u>	<u>\$ 320,000</u>
Long-term liabilities due in more than one year				<u>\$ 5,934,630</u>	

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
Certificates of Obligation:			
\$4,000,000 Series 2014 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$140,000 to \$265,000 with an interest rate of 2.00% to 3.75%, maturing in 2034.	\$ 3,190,000	\$ -	\$ 3,190,000
\$1,995,000 Series 2018 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$55,000 to \$135,000 with an interest rate of 3.00% to 4.00%, maturing in 2038.	1,940,000	-	1,940,000
\$4,500,000 Series 2014 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$30,000 to \$33,000 with an interest rate of 2.00% to 3.75%, maturing in 2034.	-	4,015,000	4,015,000
\$2,400,00 Series 2016 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$95,000 to \$150,000 with an interest rate of 2.00% to 3.00%, maturing in 2036.	-	2,110,000	2,110,000
Total Certificates of Obligation	\$ 5,130,000	\$ 6,125,000	\$ 11,255,000
Less deferred amounts:			
Issuance premium	\$ 143,261	\$ 129,630	\$ 272,891
Total Deferred Amounts	\$ 143,261	\$ 129,630	\$ 272,891
Total Long-term Debt	\$ 5,273,261	\$ 6,254,630	\$ 11,527,891

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

The annual requirements to amortize governmental and business-type activities debt issues outstanding at year ending were as follows:

Certificates of Obligation

Year ending September 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 250,000	\$ 168,395	\$ 418,395
2021	270,000	160,495	430,495
2022	290,000	151,514	441,514
2023	260,000	142,735	402,735
2024	270,000	134,289	404,289
2025	280,000	125,107	405,107
2026	290,000	115,357	405,357
2027	300,000	105,013	405,013
2028	310,000	94,013	404,013
2029	320,000	83,476	403,476
2030	335,000	73,226	408,226
2031	340,000	62,226	402,226
2032	355,000	50,532	405,532
2033	370,000	37,875	407,875
2034	380,000	24,388	404,388
2035	120,000	15,600	135,600
2036	125,000	11,463	136,463
2037	130,000	7,000	137,000
2038	135,000	2,363	137,363
Total	\$ 5,130,000	\$ 1,565,063	\$ 6,695,063

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2020	\$ 320,000	\$ 174,688	\$ 494,688
2021	330,000	167,906	497,906
2022	335,000	160,688	495,688
2023	345,000	153,150	498,150
2024	355,000	145,088	500,088
2025	355,000	135,906	490,906
2026	370,000	125,656	495,656
2027	380,000	114,725	494,725
2028	395,000	103,100	498,100
2029	405,000	90,925	495,925
2030	420,000	78,013	498,013
2031	430,000	64,163	494,163
2032	450,000	49,450	499,450
2033	460,000	33,825	493,825
2034	475,000	17,363	492,363
2035	150,000	6,750	156,750
2036	150,000	2,250	152,250
Total	<u>\$ 6,125,000</u>	<u>\$ 1,623,644</u>	<u>\$ 7,748,644</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

E. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and water and sewer fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 249,389	\$ -	\$ (66,916)	\$ 182,473	\$ 164,226
Total Governmental Activities	<u>\$ 249,389</u>	<u>\$ -</u>	<u>\$ (66,916)</u>	<u>\$ 182,473</u>	<u>\$ 164,226</u>
Business-Type Activities:					
Compensated Absences	\$ 14,758	\$ -	\$ (11,739)	\$ 3,019	\$ 2,717
Total Business-Type Activities	<u>\$ 14,758</u>	<u>\$ -</u>	<u>\$ (11,739)</u>	<u>\$ 3,019</u>	<u>\$ 2,717</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

F. Undivided Interest - Waco Metropolitan Area Regional Sewer System

During 2004, the City entered into an agreement with four other participating cities to acquire the facilities and operations of the Waco Metropolitan Area Regional Sewer System (the "System") from Brazos River Authority (the "Authority"). Prior to the acquisition, the cities were "tenants in common" of the System owned by the Authority, and funded the System through payments to the Authority based on the amount of wastewater treated.

The City's initial purchase included a 5.73% undivided interest in the System; however, the City subsequently sold portions of its undivided interest to other cities leaving it with a 5.707% undivided interest in the System. The City's undivided interest in the System as of September 30, 2019 was 4.9641% as a result of certain capacity expansion improvements completed during 2012.

The City of Waco, Texas assisted four of the participating cities in financing their initial investments. During 2004, the City of Waco, Texas' wastewater fund advanced \$1,849,058 to the four participating cities at an interest rate of 3.65% to be repaid in annual installments through February 2024. As of September 30, 2019, the City of Bellmead paid the remaining balance in full.

Under the interlocal agreement for the System, a board was created consisting of the city managers from each of the seven participating cities. The operation and administration of the System is subject to joint control by the cities through the board; however, a separate legal entity was not created. The agreement allows the cities to pool resources and share the costs, risks, and rewards of providing services. Further, each city retains an ongoing financial interest and ongoing financial responsibility in the operations of the System.

The City reported its share of assets, liabilities, net position, revenues, and expenses that are associated with this joint activity in its water and sewer fund as of September 30, 2019 and for the year then ended as follows:

Current assets	\$ 1,350,703
Capital assets	3,277,269
Net position	<u>\$ 4,627,972</u>
Operating expenses	(125,208)
Operating revenues	466,956
Change in net position	<u>\$ 341,748</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

G. Interfund Transactions

Amounts transferred between funds relate to amounts collected, various capital expenditures, annual funding, and debt payments.

	Transfer In		Total
	General	Nonmajor Governmental	
Transfer out:			
Street maintenance	\$ 25,000	\$ -	\$ 25,000
Hotel/motel tax	185,500	-	185,500
Water and sewer	365,430	-	365,430
General	-	15,355	15,355
Capital projects	-	901,474	901,474
Nonmajor governmental	-	26,222	26,222
	<u>\$ 575,930</u>	<u>\$ 943,051</u>	<u>\$ 1,518,981</u>

H. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	Restricted
Tourism	\$ 1,737,576 *
Economic development	537,708
Special donations	1,725
Public safety	80,490 *
Debt service	288,890
Capital projects	1,365,269
Streets	3,056,444 *
	<u>\$ 7,068,102</u>

* Represents restriction by enabling legislation.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

D. Defined Benefit Pension Plans

1. Plan Description

The City of Bellmead, Texas participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
Employee deposit rate	6.0%	6.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI, Repeating	70% of CPI, Repeating

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	65
Active employees	74
Total	172

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Bellmead were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Bellmead were 9.09% and 8.81% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$309,089, and were equal to the required contributions.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5 to 10.50% per year, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019

rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/17	\$ 13,036,139	\$ 13,574,349	\$ (538,210)
Changes for the year:			
Service Cost	539,356	-	539,356
Interest (on the Total Pension Liab.)	879,593	-	879,593
Difference between expected and actual experience	(86,043)	-	(86,043)
Contributions – employer	-	331,939	(331,939)
Contributions – employee	-	219,102	(219,102)
Net investment income	-	(406,269)	406,269
Benefit payments, including refunds of emp. contributions	(549,518)	(549,518)	-
Administrative expense	-	(7,859)	7,859
Other changes	-	(410)	410
Net changes	783,388	(413,015)	1,196,403
Balance at 12/31/18	\$ 13,819,527	\$ 13,161,334	\$ 658,193

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 2,713,171	\$ 658,193	\$ (1,005,378)

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

5. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of \$346,753.

At September 30, 2019, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and actual earnings on pension plan investments	\$ 703,474	\$ -
Changes in assumptions	13,632	-
Differences between expected and actual economic experience	-	367,406
Contributions subsequent to the measurement date	232,047	-
Total	\$ 949,153	\$ 367,406

The City reported \$232,047 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2019	\$ 52,308
2020	(17,439)
2021	56,324
2022	258,507
2023	-
Thereafter	-
	\$ 349,700

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

Other Postemployment Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	13
Active employees	74
Total	116

The City's retiree contribution rates to the TMRS SDBF for the years ended 2019, 2018 and 2017 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2019	0.03%	0.03%	100.0%
2018	0.03%	0.03%	100.0%
2017	0.04%	0.04%	100.0%

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

The City's contributions to the TMRS SDBF for the years ended 2019, 2018, and 2017 were \$1,044, \$1,199, and \$1,056, respectively, which equaled the required contributions each year.

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2018, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	3.71%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

1% Decrease (2.71%)	Current Single Rate Assumption 3.71%	1% Increase (4.71%)
\$ 209,305	\$ 173,620	\$ 146,134

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/17	\$ 167,897
Changes for the year:	
Service Cost	11,685
Interest	5,733
Difference between expected and actual experience	2,540
Changes of assumptions	(13,137)
Benefit payments	(1,098)
Net changes	5,723
Balance at 12/31/18	\$ 173,620

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized OPEB expense of \$17,893.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2019

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,136	-
Change in assumptions	-	1,785
Contributions subsequent to measurement date	791	-
Total	<u><u>\$ 2,927</u></u>	<u><u>\$ 1,785</u></u>

The City reported \$791 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2020.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended December 31:		
2019	\$	475
2020		475
2021		475
2022		475
2023		(1,080)
Thereafter		(469)
	<u><u>\$</u></u>	<u><u>351</u></u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2019

E. Restatement

The City restated the beginning net position of governmental activities and the beginning fund balances of four governmental funds due to the change in reporting of the general, EDA grant, street maintenance, and community improvements funds. In addition, the City restated beginning net position for its component unit, as the community improvement fund was incorrectly included within the EDC and land assets were not recorded in the prior year.

The City has restated net position and fund balance as follows:

	Governmental Activities	General Fund	Street Maintenance	Nonmajor Governmental		EDC Component Unit Activities
				EDA Grant Fund	Community Improvement	
Prior year ending net position/ fund balance as reported	\$ 14,513,733	\$ 3,723,048	\$ -	\$ -	\$ -	\$ 5,968,579
Correction to land assets	(1,431,753)	-	-	-	-	1,431,753
Change in reporting of funds	-	(1,982,639)	2,477,858	(495,219)	-	-
Change in presentation of community improvement fund	426,915	-	-	-	426,915	(426,915)
Restated beginning net position/fund balance	<u>\$ 13,508,895</u>	<u>\$ 1,740,409</u>	<u>\$ 2,477,858</u>	<u>\$ (495,219)</u>	<u>\$ 426,915</u>	<u>\$ 6,973,417</u>

F. Subsequent Events

There were no material subsequent events through March 10, 2020, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES *IN FUND BALANCE - BUDGET AND ACTUAL- GENERAL FUND (Page 1 of 2)* **For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Property tax	\$ 1,061,100	\$ 1,061,100	\$ 1,033,855	\$ (27,245)
Sales taxes	2,586,100	2,586,100	2,660,638	74,538
Franchise taxes	516,750	516,750	514,688	(2,062)
License and permits	50,700	50,700	57,517	6,817
Charges for services	23,300	703,300	668,368	(34,932)
Intergovernmental revenues	127,930	127,930	395,458	267,528
Fines and forfeitures	292,000	292,000	167,882	(124,118)
Investment income	20,000	20,000	34,460	14,460
Other revenue	43,200	43,200	-	(43,200)
Total Revenues	4,721,080	5,401,080	5,532,866	131,786
<u>Expenditures</u>				
Current:				
General government -				
General government	247,004	161,776	147,893	13,883
Administration	419,018	417,364	385,823	31,541
City council	2,500	13,468	13,485	(17) *
Finance	471,679	473,049	449,878	23,171
Total General Government	1,140,201	1,065,657	997,079	68,578
Public safety -				
Police	2,540,676	2,531,280	2,391,963	139,317
Court	224,069	228,674	225,410	3,264
Fire	1,203,641	1,214,841	1,216,127	(1,286) *
Total Public Safety	3,968,386	3,974,795	3,833,500	141,295
Culture and recreation -				
Parks and recreation	82,009	87,925	59,167	28,758
Total Culture and recreation	82,009	87,925	59,167	28,758
Public works	526,281	520,365	396,076	124,289
Building maintenance	-	26,150	19,609	6,541
Refuse	-	706,630	706,630	-
Total Expenditures	5,716,877	6,381,522	6,012,061	362,920
Revenues Over (Under) Expenditures	\$ (995,797)	\$ (980,442)	\$ (479,195)	\$ 494,706

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES *IN FUND BALANCE - BUDGET AND ACTUAL- GENERAL FUND (Page 2 of 2)* For the Year Ended September 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 844,000	\$ 623,264	\$ 575,930	\$ (47,334)
Transfers (out)	-	(15,355)	(15,355)	-
Sale of capital assets	-	-	37,505	37,505
Insurance recoveries	-	-	24,564	24,564
Total Other Financing Sources (Uses)	<u>844,000</u>	<u>607,909</u>	<u>622,644</u>	<u>14,735</u>
Net Change in Fund Balance	<u>\$ (151,797)</u>	<u>\$ (372,533)</u>	<u>143,449</u>	<u>\$ 509,441</u>
Beginning fund balance			<u>1,740,409</u>	
Ending Fund Balance			<u>\$ 1,883,858</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- * Expenditures exceeded appropriations at the legal level of control.

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL/MOTEL TAX FUND

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Hotel and motel taxes	\$ 559,500	\$ 559,500	\$ 554,457	\$ (5,043)
Charges for services	49,000	49,000	63,620	14,620
Investment income	5,500	5,500	29,807	24,307
Total Revenues	614,000	614,000	647,884	33,884
<u>Expenditures</u>				
Tourism	513,032	582,492	496,023	86,469
Total Expenditures	513,032	582,492	496,023	86,469
Excess of Revenues Over (Under) Expenditures	100,968	31,508	151,861	120,353
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(185,500)	(185,500)	(185,500)	-
Insurance recoveries	-	12,379	12,289	(90)
Total Other Financing Sources (Uses)	(185,500)	(173,121)	(173,211)	(90)
Net Change in Fund Balance	\$ (84,532)	\$ (141,613)	(21,350)	\$ 120,263
Beginning fund balance			1,758,926	
Ending Fund Balance			\$ 1,737,576	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET MAINTENANCE FUND
For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Sales taxes	\$ 600,000	\$ 650,046	\$ 50,046
Investment income	2,000	41,837	39,837
Total Revenues	602,000	691,883	89,883
<u>Expenditures</u>			
Public works	575,137	88,297	486,840
Total Expenditures	575,137	88,297	486,840
Excess of Revenues Over (Under) Expenditures	26,863	603,586	576,723
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	(25,000)	(25,000)	-
Net Change in Fund Balance	\$ 1,863	578,586	\$ 576,723
Beginning fund balance		2,477,858	
Ending Fund Balance		\$ 3,056,444	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS Years ended December 31,

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 539,356	\$ 521,330	\$ 487,147	\$ 458,188
Interest (on the Total Pension Liability)	879,593	842,174	809,001	818,762
Differences between expected and actual experience	(86,043)	(273,905)	(233,707)	(519,945)
Changes of assumptions	-	-	-	93,818
Benefit payments, including refunds of participant contributions	(549,518)	(538,906)	(637,232)	(516,186)
Net change in total pension liability	783,388	550,693	425,209	334,637
Total pension liability - beginning	13,036,139	12,485,446	12,060,237	11,725,600
Total pension liability - ending (a)	\$ 13,819,527	\$ 13,036,139	\$ 12,485,446	\$ 12,060,237
Plan fiduciary net position				
Contributions - employer	\$ 331,939	\$ 321,892	\$ 310,177	\$ 309,670
Contributions - members	219,102	214,834	206,710	204,853
Net investment income	(406,269)	1,653,688	763,497	16,664
Benefit payments, including refunds of participant contributions	(549,618)	(538,906)	(637,232)	(516,186)
Administrative expenses	(7,859)	(8,570)	(8,623)	(10,150)
Other	(310)	(435)	(465)	(502)
Net change in plan fiduciary net position	(413,015)	1,642,503	634,064	4,349
Plan fiduciary net position - beginning	13,574,349	11,931,846	11,297,782	11,293,433
Plan fiduciary net position - ending (b)	\$ 13,161,334	\$ 13,574,349	\$ 11,931,846	\$ 11,297,782
Fund's net pension (asset) liability - ending (a) - (b)	\$ 658,193	\$ (538,210)	\$ 553,600	\$ 762,455
Plan fiduciary net position as a percentage of the total pension liability	95.24%	104.13%	95.57%	93.68%
Covered payroll	\$ 3,651,699	\$ 3,580,562	\$ 3,445,170	\$ 3,414,216
Fund's net pension liability as a percentage of covered payroll	18.02%	-15.03%	16.07%	22.33%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

2014 ¹

\$ 389,742
767,022

51,209

-

(489,931)

718,042

11,007,558

\$ 11,725,600

\$ 262,945

195,254

613,170

(489,931)

(6,402)

(526)

574,510

10,718,923

\$ 11,293,433

\$ 432,167

96.31%

\$ 3,254,228

13.28%

City of Bellmead, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
Actuarially determined employer contributions	\$ 309,089	\$ 335,268	\$ 316,551	\$ 320,484
Contributions in relation to the actuarially determined contribution	\$ 309,089	\$ 335,268	\$ 316,551	\$ 320,484
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 3,481,455	\$ 3,698,157	\$ 3,520,210	\$ 3,552,338
Employer contributions as a percentage of covered payroll	8.88%	9.07%	8.99%	9.02%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.0% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes

There were no benefit changes during the year.

<u>9/30/2015</u>	<u>9/30/2014</u> ¹
\$ 297,841	\$ 260,868
<u>\$ 297,841</u>	<u>\$ 260,868</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 3,383,497	\$ 3,192,687
8.80%	8.17%

City of Bellmead, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Year ended December 31,

	2017	2018	¹
Total OPEB liability			
Service cost	\$ 10,026	\$ 11,685	
Interest	5,464	5,733	
Differences between expected and actual experience	-	2,540	
Changes of assumptions	13,586	(13,137)	
Benefit payments, including refunds of participant contributions	(1,432)	(1,098)	
Net changes	27,644	5,723	
Total OPEB liability - beginning	140,253	167,897	
Total OPEB liability - ending	\$ 167,897	\$ 173,620	²
 Covered payroll	 \$ 3,580,562	 \$ 3,651,699	
Total OPEB Liability as a percentage of covered employee	4.69%	4.75%	

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

***OTHER SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Bellmead, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2019

		Special Revenue Funds		
	Debt Service	EDA Grant	Court Technology	Court Security
<u>Assets</u>				
Cash and cash equivalents	\$ 254,363	\$ 176,378	\$ 30,821	\$ 22,563
Investments	37,492	25,998	4,543	3,319
Receivables, net	35,861	-	-	-
Total Assets	<u>\$ 327,716</u>	<u>\$ 202,376</u>	<u>\$ 35,364</u>	<u>\$ 25,882</u>
<u>Liabilities</u>				
Accounts payable and accrued expenses	<u>\$ 2,965</u>	<u>\$ 6,881</u>	<u>\$ 1,423</u>	<u>\$ 59</u>
Total Liabilities	<u>2,965</u>	<u>6,881</u>	<u>1,423</u>	<u>59</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	<u>35,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Restricted for:				
Public safety	-	-	33,941	25,823
Debt service	288,890	-	-	-
Special donations	-	-	-	-
Economic development	-	-	-	-
Capital projects	-	195,495	-	-
Total Fund Balances	<u>288,890</u>	<u>195,495</u>	<u>33,941</u>	<u>25,823</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 327,716</u>	<u>\$ 202,376</u>	<u>\$ 35,364</u>	<u>\$ 25,882</u>

See Notes to Financial Statements.

Special Revenue Funds

Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement	Total
\$ 1,503	\$ 96,322	\$ 8,101	\$ 10,084	\$ 469,898	\$ 1,070,033
222	14,198	1,178	1,486	69,262	157,698
-	3,398	-	-	-	39,259
<u>\$ 1,725</u>	<u>\$ 113,918</u>	<u>\$ 9,279</u>	<u>\$ 11,570</u>	<u>\$ 539,160</u>	<u>\$ 1,266,990</u>
\$ -	\$ 3,859	\$ 123	\$ -	\$ 1,452	\$ 16,762
-	3,859	123	-	1,452	16,762
-	-	-	-	-	35,861
-	-	9,156	11,570	-	80,490
-	-	-	-	-	288,890
1,725	-	-	-	-	1,725
-	-	-	-	537,708	537,708
-	110,059	-	-	-	305,554
<u>1,725</u>	<u>110,059</u>	<u>9,156</u>	<u>11,570</u>	<u>537,708</u>	<u>1,214,367</u>
<u>\$ 1,725</u>	<u>\$ 113,918</u>	<u>\$ 9,279</u>	<u>\$ 11,570</u>	<u>\$ 539,160</u>	<u>\$ 1,266,990</u>

City of Bellmead, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2019

		Special Revenue Funds		
	Debt Service	EDA Grant	Court Technology	Court Security
<u>Revenues</u>				
Taxes	\$ 409,899	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	3,506	2,511
Intergovernmental revenue	-	-	-	-
Other revenue	-	-	-	-
Investment income	5,722	-	658	281
Total Revenues	415,621	-	4,164	2,792
<u>Expenditures</u>				
Public safety	-	-	5,823	3,191
Public works	-	210,760	-	-
City council	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	225,000	-	-	-
Interest	177,547	-	-	-
Total Expenditures	402,547	210,760	5,823	3,191
Revenues Over (Under) Expenditures	13,074	(210,760)	(1,659)	(399)
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	901,474	-	26,222
Transfers (out)	-	-	(26,222)	
Total Other Financing Sources (Uses)	-	901,474	(26,222)	26,222
Net Change in Fund Balances	13,074	690,714	(27,881)	25,823
Beginning fund balances	275,816	(495,219)	61,822	-
Ending Fund Balances	\$ 288,890	\$ 195,495	\$ 33,941	\$ 25,823

See Notes to Financial Statements.

Special Revenue Funds

Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement	Total
\$ -	\$ 14,372	\$ -	\$ -	\$ -	\$ 424,271
-	-	13,264	204	-	19,485
-	-	-	-	135,700	135,700
1,710	-	-	3,600	-	5,310
15	1,536	156	213	8,292	16,873
<u>1,725</u>	<u>15,908</u>	<u>13,420</u>	<u>4,017</u>	<u>143,992</u>	<u>601,639</u>
-	-	4,264	7,802	-	21,080
-	-	-	-	-	210,760
-	3,859	-	-	-	3,859
-	-	-	-	33,199	33,199
-	-	-	-	-	225,000
-	-	-	-	-	177,547
<u>-</u>	<u>3,859</u>	<u>4,264</u>	<u>7,802</u>	<u>33,199</u>	<u>671,445</u>
<u>1,725</u>	<u>12,049</u>	<u>9,156</u>	<u>(3,785)</u>	<u>110,793</u>	<u>(69,806)</u>
-	-	-	15,355	-	943,051
-	-	-	-	-	(26,222)
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,355</u>	<u>-</u>	<u>916,829</u>
1,725	12,049	9,156	11,570	110,793	847,023
-	98,010	-	-	426,915	367,344
<u>\$ 1,725</u>	<u>\$ 110,059</u>	<u>\$ 9,156</u>	<u>\$ 11,570</u>	<u>\$ 537,708</u>	<u>\$ 1,214,367</u>

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COURT TECHNOLOGY

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 3,506	\$ (5,494)
Investment income	-	-	658	658
Total Revenues	9,000	9,000	4,164	(4,836)
<u>Expenditures</u>				
Public safety	9,000	9,000	5,823	3,177
Total Expenditures	9,000	9,000	5,823	3,177
Excess of Revenues Over (Under) Expenditures	-	-	(1,659)	(1,659)
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(26,222)	(26,222)	-
Net Change in Fund Balance	\$ -	\$ (26,222)	(27,881)	\$ (1,659)
Beginning fund balance			61,822	
Ending Fund Balance			\$ 33,941	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COURT SECURITY

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$	\$ 4,000	\$ 2,511	\$ (1,489)
Investment income	-	-	281	281
Total Revenues	-	4,000	2,792	(1,208)
<u>Expenditures</u>				
Public safety		4,000	3,191	809
Total Expenditures	-	4,000	3,191	809
Excess of Revenues Over (Under) Expenditures	-	-	(399)	(399)
<u>Other Financing Sources (Uses)</u>				
Transfers in		26,222	26,222	-
Net Change in Fund Balance	\$ -	\$ 26,222	25,823	\$ (399)
Beginning fund balance			-	
Ending Fund Balance			\$ 25,823	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 419,000	\$ 409,899	\$ (9,101)
Investment income	1,500	5,722	4,222
Total Revenues	420,500	415,621	(4,879)
<u>Expenditures</u>			
Debt service:			
Principal	540,000	225,000	315,000
Interest	364,108	177,547	186,561
Total Expenditures	904,108	402,547	501,561
Excess of Revenues Over (Under) Expenditures	(483,608)	13,074	496,682
<u>Other Financing Sources (Uses)</u>			
Transfers in	496,338	-	(496,338)
Total Other Financing Sources (Uses)	496,338	-	(496,338)
Net Change in Fund Balance	\$ 12,730	13,074	\$ 344
Beginning fund balance		275,816	
Ending Fund Balance		\$ 288,890	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COMMUNITY IMPROVEMENT For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 135,000	\$ 135,700	\$ 700
Investment income	-	\$ 8,292	8,292
Total Revenues	<u>135,000</u>	<u>143,992</u>	<u>8,992</u>
<u>Expenditures</u>			
Economic development	135,000	33,199	101,801
Total Expenditures	<u>135,000</u>	<u>33,199</u>	<u>101,801</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>110,793</u>	<u>110,793</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>110,793</u>	<u>\$ 110,793</u>
Beginning fund balance		426,915	
Ending Fund Balance		<u>\$ 537,708</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL EDA GRANT FUND

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Miscellaneous revenue	\$ 1,540,000	\$ 1,540,000	\$ -	\$ (1,540,000)
Total Revenues	<u>1,540,000</u>	<u>1,540,000</u>	<u>-</u>	<u>(1,540,000)</u>
<u>Expenditures</u>				
Public works	2,200,000	2,200,000	210,760	1,989,240
Total Expenditures	<u>2,200,000</u>	<u>2,200,000</u>	<u>210,760</u>	<u>1,989,240</u>
Excess of Revenues Over (Under) Expenditures	<u>(660,000)</u>	<u>(660,000)</u>	<u>(210,760)</u>	<u>449,240</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	660,000	2,498,200	901,474	(1,596,726)
Total Other Financing Sources (Uses)	<u>660,000</u>	<u>2,498,200</u>	<u>901,474</u>	<u>(1,596,726)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 1,838,200</u>	<u>690,714</u>	<u>\$ (1,147,486)</u>
Beginning fund balance			(495,219)	
Ending Fund Balance			<u>\$ 195,495</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2019

	Bellmead Economic Development Corporation
<u>Assets</u>	
Cash and cash equivalents	\$ 3,283,657
Investments	650,672
Receivables, net	107,405
Note receivable	678,883
Total Assets	\$ 4,720,617
<u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 41,882
Total Liabilities	41,882
<u>Deferred Inflows of Resources</u>	
Unavailable revenue - note receivable	678,883
Total Deferred Inflows of Resources	678,883
<u>Fund Balances</u>	
Restricted for: Economic development	3,999,852
Total Fund Balance	3,999,852
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 4,720,617

See Notes to Financial Statements.

City of Bellmead, Texas

RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNIT BALANCE SHEET TO THE STATEMENT OF NET POSITION

For the Year Ended September 30, 2019

Fund Balance	\$ 3,999,852
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Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	1,431,753
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Note receivable	678,883
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Net Position of the Discretely Presented Component Unit	\$ 6,110,488
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See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2019

		Bellmead Economic Development Corporation
<u>Revenues</u>		
Sales tax		\$ 650,042
Investment income		115,642
	Total Revenues	<u>765,684</u>
<u>Expenditures</u>		
Current:		
Economic development		1,628,613
	Total Expenditures	<u>1,628,613</u>
Over (Under) Expenditures		(862,929)
<u>Other Financing Sources (Uses)</u>		
Payments received for building sale		102,880
Total Other Financing Sources (Uses)		<u>102,880</u>
	Net Change in Fund Balance	(760,049)
Beginning fund balance		4,759,901
	Ending Fund Balance	<u><u>\$ 3,999,852</u></u>

See Notes to Financial Statements.



City of Bellmead, Texas
***RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES***
For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balance	\$ (760,049)
Governmental funds report payments received for note receivables as other financing sources. These are not recorded in the statement of activities, as they reduce the long term receivable balance in the statement of net position.	(102,880)

Change in Net Position of the Discretely Presented Component Unit	<u>\$ (862,929)</u>
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See Notes to Financial Statements.

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Sales tax	\$ 570,000	\$ 570,000	\$ 650,042	\$ 80,042
Investment income	40,461	40,461	115,642	75,181
Total Revenues	610,461	610,461	765,684	155,223
<u>Expenditures</u>				
Economic development	827,700	2,027,700	1,628,613	399,087
Total Expenditures	827,700	2,027,700	1,628,613	399,087
Excess of Revenues Over (Under) Expenditures	(217,239)	(1,417,239)	(862,929)	554,310
<u>Other Financing Sources (Uses)</u>				
Payments received for building sale	97,990	97,990	102,880	4,890
Total Other Financing Sources (Uses)	97,990	97,990	102,880	4,890
Net Change in Fund Balance	\$ (119,249)	\$ (1,319,249)	(760,049)	\$ 559,200
Beginning fund balance			4,759,901	
Ending Fund Balance			\$ 3,999,852	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Bellmead's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	114
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	124
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	132
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	140
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	144
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	
Continuing Financial Disclosures	153
<i>These tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Bellmead, Texas

Net Position By Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 9,584,149	\$ 11,283,115	\$ 11,545,764	\$ 11,452,985
Restricted for:				
Debt service	248,959	212,116	184,211	189,364
Capital projects	986	990	-	-
Tourism	-	-	-	-
Streets	-	-	-	-
Economic development	4,444,445	3,049,064	2,677,724	3,166,471
Culture and recreation	714,542	809,567	948,458	995,230
Municipal court	89,730	24,007	31,225	31,225
Public safety	-	57,713	64,729	81,259
Unrestricted	2,311,290	2,395,489	2,566,015	3,114,026
Total governmental activities net position	<u>\$ 17,394,101</u>	<u>\$ 17,832,061</u>	<u>\$ 18,018,126</u>	<u>\$ 19,030,560</u>
Business-type activities				
Net investment in capital assets	\$ 2,200,565	\$ 2,897,161	\$ 2,717,567	\$ 2,658,303
Restricted for:				
Debt service	179,759	42,668	-	-
Capital projects	559,712	564,912	80,333	20,419
Unrestricted	3,514,711	3,323,673	4,653,092	5,213,955
Total business-type activities net position	<u>\$ 6,454,747</u>	<u>\$ 6,828,414</u>	<u>\$ 7,450,992</u>	<u>\$ 7,892,677</u>
Primary government				
Net investment in capital assets	\$ 11,784,714	\$ 14,180,276	\$ 14,263,331	\$ 14,111,288
Restricted for:				
Debt service	428,718	254,784	184,211	189,364
Capital projects	560,698	565,902	80,333	20,419
Tourism	-	-	-	-
Streets	-	-	-	-
Economic development	4,444,445	3,049,064	2,677,724	3,166,471
Culture and recreation	714,542	809,567	948,458	995,230
Municipal court	89,730	24,007	31,225	31,225
Public safety	-	57,713	64,729	81,259
Unrestricted	5,826,001	5,719,162	7,219,107	8,327,981
Total primary governmental activities net position	<u>\$ 23,848,848</u>	<u>\$ 24,660,475</u>	<u>\$ 25,469,118</u>	<u>\$ 26,923,237</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

2014	2015	2016	2017	2018	2019
\$ 11,315,424	\$ 10,824,531	\$ 10,463,797	\$ 9,008,424	\$ 5,429,861	\$ 5,355,050
189,852	261,422	321,762	310,153	275,816	288,890
-	-	-	-	1,950,212	1,365,269
-	-	-	1,680,934	1,758,926	1,737,576
-	-	2,597,208	2,345,942	2,470,973	3,056,444
4,695,853	5,206,660	5,509,434	-	-	-
1,106,713	1,285,977	1,421,289	-	-	-
31,225	33,632	45,730	53,286	61,822	59,764
76,554	74,643	74,643	10,553	-	-
3,588,381	3,855,628	1,582,003	1,378,278	1,561,285	2,167,555
<u>\$ 21,004,002</u>	<u>\$ 21,542,493</u>	<u>\$ 22,015,866</u>	<u>\$ 14,787,570</u>	<u>\$ 13,508,895</u>	<u>\$ 14,030,548</u>
\$ 3,106,686	\$ 3,145,571	\$ 3,104,361	\$ 4,200,804	\$ 2,428,272	\$ 3,328,461
-	-	-	-	-	-
20,426	20,437	20,495	-	-	-
5,208,403	5,472,338	5,655,690	4,544,602	7,618,717	7,796,313
<u>\$ 8,335,515</u>	<u>\$ 8,638,346</u>	<u>\$ 8,780,546</u>	<u>\$ 8,745,406</u>	<u>\$ 10,046,989</u>	<u>\$ 11,124,774</u>
\$ 14,422,110	\$ 13,970,102	\$ 13,568,158	\$ 13,209,228	\$ 7,858,133	\$ 8,683,511
189,852	261,422	321,762	310,153	275,816	288,890
20,426	20,437	20,495	-	1,950,212	1,365,269
-	-	-	1,680,934	1,758,926	1,737,576
-	-	2,597,208	2,345,942	2,470,973	3,056,444
4,695,853	5,206,660	5,509,434	-	-	-
1,106,713	1,285,977	1,421,289	-	-	-
31,225	33,632	45,730	53,286	61,822	59,764
76,554	74,643	74,643	10,553	-	-
8,796,784	9,327,966	7,237,693	5,922,880	9,180,002	9,963,868
<u>\$ 29,339,517</u>	<u>\$ 30,180,839</u>	<u>\$ 30,796,412</u>	<u>\$ 23,532,976</u>	<u>\$ 23,555,884</u>	<u>\$ 25,155,322</u>

City of Bellmead, Texas

Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 1,182,758	\$ 1,355,564	\$ 1,453,451	\$ 988,499
Public safety	2,348,823	2,379,436	2,463,513	2,905,298
Public works	1,298,345	605,576	618,766	728,820
Garbage services	-	-	-	-
Economic development	260,980	688,838	959,452	359,382
Culture and recreation	355,568	409,589	381,033	516,036
Interest on long-term debt	56,490	44,519	32,159	20,432
Total governmental activities expenses	5,502,964	5,483,522	5,908,374	5,518,467
Business-type activities				
Water and sewer	2,343,317	2,229,026	2,000,505	2,239,420
Total business-type activities expenses	2,343,317	2,229,026	2,000,505	2,239,420
Total primary government expenses	<u>\$ 7,846,281</u>	<u>\$ 7,712,548</u>	<u>\$ 7,908,879</u>	<u>\$ 7,757,887</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 96,056	\$ 112,098	\$ 34,668	\$ 55,093
Public safety	364,337	324,274	277,689	371,414
Garbage services	-	-	-	-
Economic development	36,769	38,198	45,163	25,276
Culture and recreation	46,500	46,140	46,210	36,865
Operating grants and contributions	77,870	-	93,191	89,713
Capital grants and contributions	196,045	-	-	-
Total governmental activities program revenues	<u>\$ 817,577</u>	<u>\$ 520,710</u>	<u>\$ 496,921</u>	<u>\$ 578,361</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,417,557	2,591,099	2,678,041	2,672,771
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>2,417,557</u>	<u>2,591,099</u>	<u>2,678,041</u>	<u>2,672,771</u>
Total primary government program revenues	<u>\$ 3,235,134</u>	<u>\$ 3,111,809</u>	<u>\$ 3,174,962</u>	<u>\$ 3,251,132</u>
Net (expense)/revenue:				
Governmental activities	\$ (4,685,387)	\$ (4,962,812)	\$ (5,411,453)	\$ (4,940,106)
Business-type activities	74,240	362,073	677,536	433,351
Total primary government net expense	<u>\$ (4,611,147)</u>	<u>\$ (4,600,739)</u>	<u>\$ (4,733,917)</u>	<u>\$ (4,506,755)</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

2014	2015	2016	2017	2018	2019
\$ 1,092,276	\$ 1,108,455	\$ 1,244,747	\$ 1,251,195	\$ 1,069,756	\$ 1,065,045
3,298,118	3,378,464	3,635,664	3,850,818	3,963,259	3,958,572
631,073	884,412	696,991	635,272	809,098	906,923
-	-	-	-	715,735	706,630
675,330	487,357	483,256	133,498	-	-
511,342	498,863	619,491	527,180	546,113	681,657
84,027	106,443	100,519	92,725	202,496	168,736
6,292,166	6,463,994	6,780,668	6,490,688	7,306,457	7,487,563
2,313,591	2,481,577	2,628,931	2,627,061	2,546,351	2,659,784
2,313,591	2,481,577	2,628,931	2,627,061	2,546,351	2,659,784
\$ 8,605,757	\$ 8,945,571	\$ 9,409,599	\$ 9,117,749	\$ 9,852,808	\$ 10,147,347
\$ 46,832	\$ 42,170	\$ 33,761	\$ 35,182	\$ 27,198	\$ 124,124
357,416	332,056	320,431	291,635	238,999	187,367
-	-	-	-	673,955	665,381
65,049	11,014	-	-	-	-
38,898	46,140	52,835	-	-	-
92,029	79,192	76,929	34,732	1,299,018	531,158
-	-	-	-	-	-
\$ 600,224	\$ 510,572	\$ 483,956	\$ 361,549	\$ 2,239,170	\$ 1,508,030
2,747,642	2,643,494	2,758,010	2,771,776	2,630,303	2,655,901
11,904	193,684	34,244	-	-	1,200,000
2,759,546	2,837,178	2,792,254	2,771,776	2,630,303	3,855,901
\$ 3,359,770	\$ 3,347,750	\$ 3,276,210	\$ 3,133,325	\$ 4,869,473	\$ 5,363,931
\$ (5,691,942)	\$ (5,953,422)	\$ (6,296,712)	\$ (6,129,139)	\$ (5,067,287)	\$ (5,979,533)
445,955	355,601	163,323	144,715	83,952	1,196,117
\$ (5,245,987)	\$ (5,597,821)	\$ (6,133,389)	\$ (5,984,424)	\$ (4,983,335)	\$ (4,783,416)

City of Bellmead, Texas
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General revenues and other changes in net position				
Governmental activities:				
Ad valorem taxes	\$ 816,489	\$ 879,328	\$ 910,859	\$ 1,020,937
Sales taxes	3,074,535	3,132,994	3,161,021	3,278,348
Hotel occupancy taxes	359,638	364,090	350,580	381,192
Franchise taxes	550,229	569,355	522,844	492,154
Investment earnings	160,816	131,284	108,908	98,338
Insurance proceeds	-	-	-	-
Miscellaneous	206,031	144,797	252,912	531,407
Gain on sale of capital assets	771,107	178,924	153,953	150,164
Transfers	110,000	-	60,000	-
Total governmental activities	<u>6,048,845</u>	<u>5,400,772</u>	<u>5,521,077</u>	<u>5,952,540</u>
Business-type activities:				
Investment earnings	19,140	11,594	5,042	8,334
Miscellaneous	-	-	-	-
Transfers	(110,000)	-	(60,000)	-
Total business-type activities	<u>(90,860)</u>	<u>11,594</u>	<u>(54,958)</u>	<u>8,334</u>
Total primary government	<u>\$ 5,957,985</u>	<u>\$ 5,412,366</u>	<u>\$ 5,466,119</u>	<u>\$ 5,960,874</u>
Changes in net position:				
Governmental activities	\$ 1,363,458	\$ 437,960	\$ 109,624	\$ 1,012,434
Business-type activities	(16,620)	373,667	622,578	441,685
Total primary government	<u>\$ 1,346,838</u>	<u>\$ 811,627</u>	<u>\$ 732,202</u>	<u>\$ 1,454,119</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

2014	2015	2016	2017	2018	2019
\$ 1,072,159	\$ 1,131,364	\$ 1,183,252	\$ 1,234,664	\$ 1,282,797	\$ 1,400,884
3,282,299	3,433,253	3,529,550	2,993,211	3,175,854	3,310,684
430,662	488,517	539,344	544,196	599,513	554,457
523,085	531,867	518,565	664,696	513,562	529,060
95,090	114,130	97,768	77,950	166,038	183,121
-	-	-	-	-	36,853
860,424	735,105	869,629	60,958	244,170	5,310
175,000	93,289	110	-	-	115,387
-	53,064	31,867	(202,048)	(1,123,891)	365,430
6,438,719	6,580,589	6,770,085	5,373,627	4,858,043	6,501,186
12,818	10,382	10,744	22,547	39,134	177,700
-	-	-	-	54,606	69,398
-	(53,064)	(31,867)	(202,402)	1,123,891	(365,430)
12,818	(42,682)	(21,123)	(179,855)	1,217,631	(118,332)
\$ 6,451,537	\$ 6,537,907	\$ 6,748,962	\$ 5,193,772	\$ 6,075,674	\$ 6,382,854
\$ 746,777	\$ 627,167	\$ 473,373	\$ (755,512)	\$ (209,244)	\$ 521,653
458,773	312,919	142,200	(35,140)	1,301,583	1,077,785
\$ 1,205,550	\$ 940,086	\$ 615,573	\$ (790,652)	\$ 1,092,339	\$ 1,599,438

City of Bellmead, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund				
Reserved				
Inventories	\$ 725	\$ -	\$ -	\$ -
Public safety	58,422	-	-	-
Court technology	31,308	-	-	-
Unreserved				
Undesignated	1,991,949	-	-	-
Nonspendable:				
Inventories	-	728	728	728
Prepaid assets	-	-	440	440
Restricted for:				
Public safety	-	57,713	64,729	81,259
Committed to:				
Street improvements	-	508,337	918,685	1,331,796
Unassigned	-	1,927,206	1,705,700	1,869,707
Total general fund	<u>\$ 2,082,404</u>	<u>\$ 2,493,984</u>	<u>\$ 2,690,282</u>	<u>\$ 3,283,930</u>
All other governmental funds:				
Reserved for:				
Debt service	\$ 222,690	\$ -	\$ -	\$ -
Economic development	4,444,445	-	-	-
Capital projects	986	-	-	-
Unreserved:				
Designated	194,491	-	-	-
Undesignated - special revenue	906	-	-	-
Restricted for:				
Debt service	-	181,654	158,423	155,626
Capital projects	-	990	-	-
Streets	-	-	-	-
Tourism	-	-	-	-
Economic development	-	3,049,064	2,677,724	3,166,471
Culture and recreation	-	809,567	948,458	995,230
Public safety	-	24,007	31,225	31,225
Other	-	-	-	-
Total all other governmental funds	<u>\$ 4,863,518</u>	<u>\$ 4,065,282</u>	<u>\$ 3,815,830</u>	<u>\$ 4,348,552</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011, and opted not to restate the previous years'

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
728	728	728	728	-	-
440	440	440	440	-	9,374
76,554	74,643	74,643	10,553	-	-
1,830,145	2,097,654	2,597,209	2,454,179	-	-
1,909,873	1,912,301	1,854,773	1,734,648	1,740,409	1,874,484
<u>\$ 3,817,740</u>	<u>\$ 4,085,766</u>	<u>\$ 4,527,793</u>	<u>\$ 4,200,548</u>	<u>\$ 1,740,409</u>	<u>\$ 1,883,858</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
156,183	221,763	259,622	265,929	275,816	288,890
4,001,777	3,444,948	2,669,529	2,238,198	3,454,993	1,365,269
-	-	-	-	2,477,858	3,056,444
-	-	-	1,545,094	1,758,926	1,737,576
3,588,046	4,142,596	4,535,277	4,771,218	426,915	537,708
1,106,713	1,285,977	1,421,289	-	-	-
31,225	33,632	45,730	53,286	61,822	80,490
-	-	-	-	-	1,725
<u>\$ 8,883,944</u>	<u>\$ 9,128,916</u>	<u>\$ 8,931,447</u>	<u>\$ 8,873,725</u>	<u>\$ 8,456,330</u>	<u>\$ 7,068,102</u>

City of Bellmead, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013
Revenues:				
Taxes	\$ 4,794,513	\$ 4,971,986	\$ 4,994,402	\$ 5,222,061
Licenses and permits	96,056	112,098	34,668	55,093
Grants and intergovernmental	273,915	-	93,191	89,713
Charges for services	-	-	-	-
Fines	364,337	307,005	269,182	371,414
Rents	83,269	84,338	91,373	62,141
Investment earnings	160,816	131,284	108,908	98,338
Miscellaneous	164,004	117,869	218,183	479,102
Total revenues	5,936,910	5,724,580	5,809,907	6,377,862
Expenditures:				
General government	1,140,559	1,284,233	1,379,384	909,033
Public safety	2,732,621	2,166,967	2,537,717	2,818,756
Public works	1,229,575	634,401	510,897	616,325
Building maintenance	-	-	-	-
Refuse services	-	-	-	-
Economic development	483,294	1,688,797	1,238,262	265,272
Culture and recreation	301,848	295,140	310,174	344,922
Capital outlay	602,333	669,357	100,601	147,000
Debt service:				
Principal	215,000	225,000	235,000	290,000
Interest and fiscal charges	56,490	40,810	53,977	10,048
Costs of issuance	-	-	-	-
Total expenditures	6,761,720	7,004,705	6,366,012	5,401,356
Excess (Deficiency) of revenues over (under) expenditures	(824,810)	(1,280,125)	(556,105)	976,506
Other financing sources (uses):				
Capital-related bonds issued	-	-	725,000	-
Premium/discount on issuance of debt	-	-	-	-
Payment to escrow agent	-	-	(512,443)	-
Insurance proceeds	-	-	-	-
Sale of capital assets	911,107	178,924	153,953	150,164
Transfers in	125,000	1,350,898	191,495	43,375
Transfers out	(15,000)	(1,350,898)	(131,495)	(43,375)
Total other financing sources	1,021,107	178,924	426,510	150,164
Net change in fund balances	\$ 196,297	\$ (1,101,201)	\$ (129,595)	\$ 1,126,670
Debt service as a percentage of noncapital expenditures	4.4%	4.2%	4.6%	5.7%

Source: The data in this schedule is extracted from the City's audited financial statements.

2014	2015	2016	2017	2018	2019
\$ 5,363,878	\$ 5,608,134	\$ 5,805,952	\$ 6,092,249	\$ 5,566,748	\$ 5,837,955
46,792	42,170	33,761	35,182	35,772	57,517
92,029	79,912	76,929	61,630	1,299,018	531,158
-	-	-	-	742,953	731,988
357,416	332,056	320,431	241,873	238,999	187,367
103,987	57,154	52,835	46,840	-	-
95,090	114,130	97,768	138,233	166,038	183,121
624,726	677,112	811,907	76,307	148,979	5,310
6,683,918	6,910,668	7,199,583	6,692,314	8,198,507	7,534,416
982,935	1,013,370	1,121,916	1,111,229	1,216,335	1,000,938
3,040,225	3,196,488	3,329,224	3,454,302	3,743,545	3,854,580
584,008	817,744	605,892	1,335,898	583,095	699,239
-	-	-	-	-	19,609
-	-	-	-	715,735	706,630
567,988	425,867	370,416	248,266	-	-
434,807	422,559	536,394	445,698	445,467	588,389
187,029	592,441	813,662	312,334	2,271,459	2,047,051
295,000	185,000	195,000	200,000	200,000	225,000
4,982	111,875	109,001	105,110	101,156	177,547
68,508	-	-	-	90,454	-
6,165,482	6,765,344	7,081,505	7,212,837	9,367,246	9,318,983
518,436	145,324	118,078	(520,523)	(1,168,739)	(1,784,567)
4,000,000	-	-	-	1,995,000	-
70,106	-	4,596	-	95,454	-
-	-	-	-	-	-
175,985	-	-	-	-	36,853
304,675	314,610	90,017	94,038	-	137,505
166,416	115,470	168,044	864,336	952,805	1,518,981
(166,416)	(62,406)	(136,177)	(661,934)	(568,634)	(1,153,551)
4,550,766	367,674	126,480	296,440	2,474,625	539,788
\$ 5,069,202	\$ 512,998	\$ 244,558	\$ (224,083)	\$ 1,305,886	\$ (1,244,779)
5.0%	4.8%	4.9%	4.4%	4.2%	5.5%

City of Bellmead, Texas
Assessed Value and Estimated Actual Value of Property
Last Ten Years

Fiscal Year Ended	Taxable Assessed Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2010	\$ 299,339,474	\$ 61,715,381	\$ 35,500,943	\$ 325,553,912	\$ 0.246965
2011	\$ 320,432,402	\$ 60,926,697	\$ 57,922,224	\$ 323,436,875	\$ 0.265560
2012	\$ 325,029,526	\$ 59,820,151	\$ 56,565,655	\$ 328,284,022	\$ 0.274498
2013	\$ 335,877,049	\$ 59,606,119	\$ 58,063,452	\$ 337,419,716	\$ 0.298608
2014	\$ 372,456,086	\$ 59,525,430	\$ 75,842,635	\$ 356,138,881	\$ 0.298608
2015	\$ 380,073,630	\$ 60,256,320	\$ 74,973,888	\$ 365,356,062	\$ 0.298608
2016	\$ 393,801,171	\$ 64,177,230	\$ 76,365,286	\$ 381,613,115	\$ 0.318608
2017	\$ 424,861,912	\$ 63,346,990	\$ 80,525,900	\$ 407,683,002	\$ 0.303761
2018	\$ 408,622,136	\$ 64,176,790	\$ 86,104,425	\$ 386,694,501	\$ 0.299990
2019	\$ 482,561,504	\$ 67,000,998	\$ 98,317,495	\$ 451,245,007	\$ 0.319999

Source: McLennan County Tax Appraisal District

Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 361,054,855	90.17%
\$ 381,359,099	84.81%
\$ 384,849,677	85.30%
\$ 395,483,168	85.32%
\$ 431,981,516	82.44%
\$ 440,329,950	82.97%
\$ 457,978,401	83.33%
\$ 488,208,902	83.51%
\$ 472,798,926	81.79%
\$ 549,562,502	82.11%

City of Bellmead, Texas

Property Tax Rates

Direct and Overlapping Governments

City of Bellmead					
Fiscal Year	Tax Year	Operating Rate	Debt Service Rate	Total Direct Rate	
2010	2009	\$ 0.182078	\$ 0.064887	\$ 0.246965	
2011	2010	\$ 0.196933	\$ 0.068627	\$ 0.265560	
2012	2011	\$ 0.211140	\$ 0.063358	\$ 0.274498	
2013	2012	\$ 0.211100	\$ 0.087508	\$ 0.298608	
2014	2013	\$ 0.214186	\$ 0.084422	\$ 0.298608	
2015	2014	\$ 0.214408	\$ 0.084200	\$ 0.298608	
2016	2015	\$ 0.238997	\$ 0.079611	\$ 0.318608	
2017	2016	\$ 0.227990	\$ 0.075771	\$ 0.303761	
2018	2017	\$ 0.227641	\$ 0.072349	\$ 0.299990	
2019	2018	\$ 0.228781	\$ 0.091218	\$ 0.319999	

Source: McLennan County Tax Appraisal District

Overlapping Rates

McLennan County		LaVega ISD		McLennan Community College		Total Direct and Overlapping Rates	
\$	0.443100	\$	1.238915	\$	0.156332	\$	2.08531
\$	0.442710	\$	1.365000	\$	0.156306	\$	2.22958
\$	0.442710	\$	1.365000	\$	0.152823	\$	2.23503
\$	0.460573	\$	1.420000	\$	0.151530	\$	2.33071
\$	0.536293	\$	1.420000	\$	0.151530	\$	2.40643
\$	0.535293	\$	1.465000	\$	0.149530	\$	2.44843
\$	0.535293	\$	1.459000	\$	0.149724	\$	2.46263
\$	0.525293	\$	1.422100	\$	0.148898	\$	2.40005
\$	0.505293	\$	1.413532	\$	0.150346	\$	2.36916
\$	0.485293	\$	1.394040	\$	0.147696	\$	2.34703



City of Bellmead, Texas

Principal Property Taxpayers Current Year and Nine Years Ago

Name of Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Butt H E Grocery Co Wal-Mart Real Estate	\$ 14,449,379	1	3.20%	\$ 10,349,943	2	3.18%
Business Trust	10,827,710	2	2.40%	11,685,074	1	3.59%
Prem SAI Inc.	10,607,140	3	2.35%	7,547,829	5	n/a
Sams Club East Inc.	8,282,950	4	1.84%	7,369,899	6	2.26%
Wal-Mart Stores East LP	7,803,400	5	1.73%	7,978,855	3	2.45%
Bellmead McLennan NJ LTD	6,958,970	6	1.54%	-	n/a	n/a
Home Depot USA Inc. Realty Income Properties 25 LLC	6,638,203	7	1.47%	7,317,932	7	2.25%
	5,600,000	8	1.24%	-	n/a	n/a
TBA Associates LP	5,411,071	9	1.20%	-	n/a	n/a
Union Pacific Railroad Co Mogavero James E Trustee	5,161,720	10	1.14%	-	n/a	n/a
Etal	-	n/a	n/a	7,698,072	4	2.36%
Home Depot	-	n/a	n/a	5,463,617	8	1.68%
Southwestern Bell Telephone Co.	-	n/a	n/a	3,367,716	9	1.03%
American Bank NA	-	n/a	n/a	3,351,639	10	1.03%
Subtotal	81,740,543		18.11%	72,130,576		19.83%
All other taxpayers	369,504,464		81.89%	253,423,336		80.17%
	<u>\$ 451,245,007</u>		<u>100.00%</u>	<u>\$ 325,553,912</u>		<u>100.00%</u>

Source: McLennan County Tax Appraisal District

City of Bellmead, Texas

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Year	Ad Valorem Rate			Tax Levy	Collected within the Fiscal Year of the Levy	
		Tax Rate	General Fund	Interest & Sinking Fund		Amount	Percentage of Levy
2010	2009	\$ 0.24697	\$ 0.18208	\$ 0.06489	\$ 809,763	\$ 758,667	93.69%
2011	2010	\$ 0.26556	\$ 0.19693	\$ 0.06863	\$ 806,616	\$ 774,513	96.02%
2012	2011	\$ 0.27450	\$ 0.21114	\$ 0.06336	\$ 867,934	\$ 832,002	95.86%
2013	2012	\$ 0.29861	\$ 0.21110	\$ 0.08751	\$ 903,305	\$ 873,044	96.65%
2014	2013	\$ 0.29861	\$ 0.21419	\$ 0.08442	\$ 1,006,643	\$ 979,363	97.29%
2015	2014	\$ 0.29861	\$ 0.21441	\$ 0.08420	\$ 1,060,718	\$ 1,004,076	94.66%
2016	2015	\$ 0.31861	\$ 0.23900	\$ 0.07961	\$ 1,086,718	\$ 1,053,030	96.90%
2017	2016	\$ 0.30376	\$ 0.22799	\$ 0.07577	\$ 1,159,210	\$ 1,119,449	96.57%
2018	2017	\$ 0.29999	\$ 0.22764	\$ 0.07235	\$ 1,262,193	\$ 1,227,111	97.22%
2019	2018	\$ 0.31999	\$ 0.22878	\$ 0.09122	\$ 1,448,133	\$ 1,402,681	96.86%

Source: McLennan County Tax Assessor & Collector

Collection in Subsequent Years	Total Collections to Date		Percentage of Levy
	Amount		
\$ 45,926	\$ 804,593		99.36%
\$ 26,747	\$ 801,260		99.34%
\$ 29,944	\$ 861,946		99.31%
\$ 24,678	\$ 897,722		99.38%
\$ 19,039	\$ 998,402		99.18%
\$ 46,644	\$ 1,050,720		99.06%
\$ 22,862	\$ 1,075,892		99.00%
\$ 24,403	\$ 1,143,852		98.68%
\$ 14,634	\$ 1,241,745		98.38%
\$ -	\$ 1,402,681		96.86%

City of Bellmead, Texas

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities	
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes	Unamortized bond premiums/ discounts	Total Governmental Activities (1)	General Obligation Bonds	Certificates of Obligation
2010	\$ -	\$ 970,000	\$ -	\$ -	\$ 970,000	\$ -	\$1,119,303
2011	\$ -	\$ 745,000	\$ -	\$ -	\$ 745,000	\$ -	\$ 979,724
2012	\$ 495,000	\$ -	\$ 230,000	\$ -	\$ 725,000	\$ 870,000	\$ -
2013	\$ 250,000	\$ -	\$ 185,000	\$ -	\$ 435,000	\$ 690,000	\$ -
2014	\$ -	\$ 4,000,000	\$ 140,000	\$ 70,106	\$ 4,210,106	\$ 510,000	\$4,500,000
2015	\$ -	\$ 3,860,000	\$ 95,000	\$ 66,601	\$ 4,021,601	\$ 345,000	\$4,500,000
2016	\$ -	\$ 3,710,000	\$ 50,000	\$ 63,095	\$ 3,823,095	\$ 175,000	\$6,870,000
2017	\$ -	\$ 3,560,000	\$ -	\$ 59,589	\$ 3,619,589	\$ -	\$6,745,000
2018	\$ -	\$ 5,355,000	\$ -	\$ 151,539	\$ 5,506,539	\$ -	\$6,440,000
2019	\$ -	\$ 5,130,000	\$ -	\$ 143,261	\$ 5,273,261	\$ -	\$6,125,000

N/A Not available

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Table 14

(3) Source: U. S. Census Bureau, Greater Bellmead Chamber of Commerce

Business-Type Activities			Total Primary Government (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
Notes Payable	Unamortized bond premiums/ discounts	Total Business-Type Activities (1)				
\$ 171,736	\$ -	\$ 1,291,039	\$ 2,261,039	0.03%	9,901	\$ 228
\$ 171,736	\$ -	\$ 1,151,460	\$ 1,896,460	0.02%	9,982	\$ 190
\$ 152,134	\$ -	\$ 1,022,134	\$ 1,747,134	0.02%	10,056	\$ 174
\$ 141,758	\$ -	\$ 831,758	\$ 1,266,758	0.01%	10,137	\$ 125
\$ 131,054	\$ 78,869	\$ 5,219,923	\$ 9,430,029	0.10%	10,247	\$ 920
\$ 120,107	\$ 74,926	\$ 5,040,033	\$ 9,061,634	0.09%	10,317	\$ 878
\$ 108,765	\$ 153,899	\$ 7,307,664	\$ 11,130,759	0.11%	10,400	\$ 1,070
\$ 96,720	\$ 145,808	\$ 6,987,528	\$ 10,607,117	0.10%	10,509	\$ 1,009
\$ 84,304	\$ 137,719	\$ 6,662,023	\$ 12,168,562	N/A	10,715	\$ 1,136
\$ -	\$ 129,630	\$ 6,254,630	\$ 11,527,891	N/A	10,925	\$ 1,055

City of Bellmead, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended September 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2010	\$ -	\$ 253,583	\$ (253,583)	-0.07%	\$ (2)
2011	\$ -	\$ 212,116	\$ (212,116)	-0.06%	\$ (2)
2012	\$ 1,365,000	\$ 158,423	\$ 1,206,577	0.31%	\$ 9
2013	\$ 940,000	\$ 155,626	\$ 784,374	0.20%	\$ 6
2014	\$ 510,000	\$ 156,183	\$ 353,817	0.08%	\$ 3
2015	\$ 345,000	\$ 221,763	\$ 123,237	0.03%	\$ 12
2016	\$ 175,000	\$ 259,622	\$ (84,622)	-0.02%	\$ (8)
2017	\$ -	\$ 265,929	\$ (265,929)	-0.05%	\$ (25)
2018	\$ -	\$ 276,916	\$ (276,916)	-0.06%	\$ (26)
2019	\$ -	\$ 288,890	\$ (288,890)	-0.05%	\$ (26)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payments.
- (3) See the Schedule of Assessed and Estimated Actual Value of Property for property value data.
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Bellmead, Texas

Direct and Overlapping Governmental Activities Debt As of September 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Amount Applicable to Primary Government
Connally ISD	\$ 13,800,000	0.80%	\$ 110,400
LaVega ISD	\$ 38,737,744	45.37%	\$ 17,575,314
McLennan County	\$ 41,890,000	2.32%	\$ 971,848
McLennan Community College	\$ 55,350,000	2.32%	\$ 1,284,120
Subtotal, overlapping debt			19,941,682
City of Bellmead, net debt payable from ad valorem taxes			<u>5,273,261</u> (1)
Total direct and overlapping net funded debt			<u><u>\$ 25,214,943</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			5.59% (1)
Per Capita Direct and Overlapping Net Funded Debt			\$ 2,399 (1)

Sources: Outstanding debt provided by each governmental unit.

(1) Excludes self-supporting debt.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.



City of Bellmead, Texas

Legal Debt Margin Information

September 30, 2019

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
2010	\$ 325,553,912	1.50%	\$ 4,883,309	\$ 271,490
2011	\$ 323,436,875	1.50%	\$ 4,851,553	\$ 265,810
2012	\$ 328,284,022	1.50%	\$ 4,924,260	\$ 278,977
2013	\$ 337,419,716	1.50%	\$ 5,061,296	\$ 300,048
2014	\$ 356,138,881	1.50%	\$ 5,342,083	\$ 299,982
2015	\$ 365,356,062	1.50%	\$ 5,480,341	\$ 296,875
2016	\$ 381,613,115	1.50%	\$ 5,724,197	\$ 304,001
2017	\$ 407,683,002	1.50%	\$ 6,115,245	\$ 305,110
2018	\$ 386,694,501	1.50%	\$ 5,800,418	\$ 300,656
2019	\$ 451,245,007	1.50%	\$ 6,768,675	\$ 402,547

All taxable property within the City is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the maximum ad valorem tax rate for home-rule cities such as the City to \$2.50 per \$100 taxable assessed valuation for all purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum rate for all general obligation debt service calculated at the time of issuance based on 90% tax collections.

Source: McLennan County Appraisal District and Finance Department, City of Bellmead

City of Bellmead, Texas
Revenue Bond Coverage - Water and Sewer Fund
Last Ten Fiscal Years

Fiscal Year	Gross Revenue		Operating Expenses *		Net Revenue Available for Debt Service	Debt Service Requirements	
						Principal	Interest
2010	\$	2,417,557	\$	1,566,533	\$ 851,024	\$ 133,568	\$ 56,379
2011	\$	2,591,099	\$	1,479,491	\$ 1,111,608	\$ 139,579	\$ 47,295
2012	\$	2,678,041	\$	1,339,988	\$ 1,338,053	\$ 979,724	\$ 1,298
2013	\$	2,672,771	\$	1,528,841	\$ 1,143,930	\$ 180,000	\$ 13,693
2014	\$	2,747,642	\$	1,523,105	\$ 1,224,537	\$ 180,000	\$ 10,593
2015	\$	2,643,494	\$	1,667,878	\$ 975,616	\$ 165,000	\$ 137,401
2016	\$	2,758,010	\$	1,615,584	\$ 1,142,426	\$ 208,089	\$ 242,514
2017	\$	3,446,800	\$	3,113,204	\$ 333,596	\$ 300,000	\$ 188,881
2018	\$	2,724,043	\$	1,972,636	\$ 751,407	\$ 317,416	\$ 188,881
2019	\$	3,925,299	\$	1,904,495	\$ 2,020,804	\$ 399,304	\$ 179,504

Source: Finance Department, City of Bellmead

* Total operating expenses less depreciation

Debt Service Requirements		
	Total	Coverage
\$	189,947	4.48
\$	186,874	5.95
\$	981,022	1.36
\$	193,693	5.91
\$	190,593	6.42
\$	302,401	3.23
\$	450,603	2.54
\$	488,881	0.68
\$	506,297	1.48
\$	578,808	3.49

City of Bellmead, Texas

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Waco Metropolitan Statistical Area (MSA) Population	Waco MSA Per Capita Income	Waco MSA Personal Income (thousands of dollars)	Unemployment Rate
2010	9,901	253,819	\$ 31,077	\$ 7,887,821	7.2%
2011	9,982	255,615	\$ 32,239	\$ 8,240,751	7.4%
2012	10,056	256,939	\$ 33,483	\$ 8,603,174	6.5%
2013	10,137	258,633	\$ 33,940	\$ 8,778,110	6.1%
2014	10,247	260,155	\$ 35,472	\$ 9,228,315	5.1%
2015	10,317	262,361	\$ 37,023	\$ 9,713,471	4.1%
2016	10,400	265,207	\$ 37,755	\$ 10,012,971	4.0%
2017	10,509	268,696	\$ 39,263	\$ 10,549,900	3.3%
2018	10,715	271,942	\$ 40,831	\$ 11,103,664	3.2%
2019	10,925	N/A	N/A	N/A	3.1%

N/A Not available

Sources: Estimated population and personal income information provided by the Bureau of Economic Analysis' Interactive Data application. Personal income information not available at the City level. Unemployment rates provided by the Bureau of Labor Statistics. 2018 rate is as of October.

City of Bellmead, Texas

Principal Employers

Current Year

Name of Employer	Type	2019		
		Employees	Rank	% of Total
HEB Grocery	Grocery Store	350	1	22.08%
La Vega ISD	Education	347	2	21.89%
Wal-Mart Supercenter	Retail Store	330	3	20.82%
Sam's Club	Retail Store	140	4	8.83%
The Atrium	Nursing Care	115	5	7.26%
Home Depot	Retail Store	97	6	6.12%
City of Bellmead	Government	82	7	5.17%
Scott & White Clinic	Health Care	68	8	4.29%
Holiday Inn	Hotel/Motel	38	9	2.40%
American Bank	Financial/Banking	18	10	1.14%
Total		1,585		100.00%

Source: Bellmead Finance Department

Note: 2010 info was not collected

City of Bellmead, Texas

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014
General Fund					
Administration	2.0	2.0	2.0	2.0	3.0
Finance	4.5	6.0	6.0	6.0	6.0
Police	27.5	28.0	28.0	28.0	28.0
Municipal Court	2.0	3.0	3.0	3.0	3.0
Fire	10.0	11.0	11.0	13.0	14.0
Streets	8.0	6.0	6.0	6.0	5.0
City Garage	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	3.0	2.0	2.0	1.0	1.0
Planning and Inspections	1.0	1.0	1.0	-	-
Total General Fund	<u>59.0</u>	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>61.0</u>
Water/Sewer Fund					
Public Works	10.0	7.0	7.0	7.0	7.0
Total Water/Sewer Fund	<u>10.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Street Maintenance Fund	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Special Revenue Funds					
Law Enforcement Grants Fund	-	-	-	-	2.0
Child Safety Fund	-	-	-	-	-
Hotel/Motel Fund	-	3.0	3.0	3.0	4.0
Court Security Fund	-	-	-	-	-
Total Special Revenue Fund	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>6.0</u>
Total Personnel	<u>69.0</u>	<u>70.0</u>	<u>70.0</u>	<u>70.0</u>	<u>74.0</u>

2015	2016	2017	2018	2019
3.0	3.0	3.0	3.0	3.0
6.0	6.0	6.0	6.0	5.5
32.0	33.0	33.0	33.0	31.95
3.0	3.0	3.0	3.0	3.0
14.0	14.0	14.0	14.0	14.0
5.0	5.0	5.0	5.0	5.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
-	-	-	-	-
65.0	66.0	66.0	66.0	64.45
7.0	7.0	7.0	7.0	10.0
7.0	7.0	7.0	7.0	10.0
1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	2.0
-	-	-	-	0.5
4.0	4.0	4.0	4.0	4.0
-	-	-	-	0.05
6.0	6.0	6.0	6.0	6.55
78.0	79.0	79.0	79.0	82.00

City of Bellmead, Texas

Operating Indicators by Function

Last Ten Fiscal Years

	2010	2011	2012	2013
Governmental				
Refuse Accounts	2,993	2,991	2,988	3,007
Municipal Court				
Oustanding Warrants	NC	NC	NC	10,981
Warrants Issued	440	19	306	183
Public Safety				
Police				
Calls for Service	13,520	13,010	17,615	16,236
911 Calls	8,799	8,391	9,276	9,869
Citations	3,902	3,408	3,362	2,233
Traffic Accidents	369	510	533	589
Arrests	2,595	1,728	1,570	2,180
Reports	NC	3,641	4,167	3,930
Police-Code Enforcement				
Calls for Service	NC	NC	NC	NC
Reports	NC	NC	NC	NC
Police-Animal Control				
Calls for Service	NC	NC	NC	NC
Citations	NC	NC	NC	NC
Taken to Shelter	NC	NC	NC	NC
TNR	NC	NC	NC	NC
Reports	NC	NC	NC	NC
Fire				
Fire Emergency Responses	1,193	1,319	1,554	1,902
Fire Inspections	107	97	58	54
Fire Investigations	14	9	15	16
Plans Reviewed	NC	NC	NC	NC
Fire-Building Inspections				
Buliding Permits Issued	779	823	890	837
Building Inspections	478	143	620	230

2014	2015	2016	2017	2018	2019
3,046	3,082	3,256	3,341	3,405	3,195
12,999	14,772	14,742	15,788	15,680	15,694
821	382	560	333	181	1,501
17,749	17,963	16,172	15,558	16,121	29,486
10,831	10,617	9,525	8,270	10,515	9,375
2,368	2,786	1,066	1,184	1,351	1,589
483	326	360	296	298	482
1,809	1,673	756	1,063	917	896
4,473	4,158	3,490	4,985	5,913	5,390
NC	467	530	441	507	669
NC	347	300	213	116	167
1,507	1,389	1,188	1,090	1,201	1,242
34	51	174	59	51	11
370	301	202	209	260	216
225	240	174	-	-	-
NC	484	300	241	264	250
1,821	1,612	1,317	1,567	1,637	1,706
36	55	98	174	217	292
9	16	9	17	14	11
1	3	9	23	34	53
855	791	805	779	759	797
926	762	765	799	901	809

City of Bellmead, Texas
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	2010	2011	2012	2013
Civic Center				
Room Rentals	NC	NC	NC	114
Public Works				
Service Orders Completed	1,934	344	42	52
Streets				
Service Orders Completed	1,758	65	111	138
Water				
Metered Accounts	3,397	3,419	3,421	3,416
Avg. Daily Demand (MGD)	1.153	1.204	1.328	1.164
Avg. Monthly Demand/Cust (gal)	35,070,000	35,924,000	33,835,000	33,332,000
Peak Demand (MGD)	1.350	1.479	1.390	1.426
Service Orders Completed	2,584	2,929	3,438	3,372
Sewer				
Service Connections	3,259	3,274	3,277	3,275
Service Orders Completed	31	10	30	124
NC: Not Collected				

2014	2015	2016	2017	2018	2019
136	211	226	216	209	235
42	51	105	126	202	NC
163	262	213	182	206	285
3,501	3,490	3,566	3,573	3,577	3,505
1.003	1.174	1.215	1.163	1.186	1,127.000
30,836,000	35,205,000	37,073,000	35,073,000	36,115,000	34,269,333
1.291	1.583	1.699	1.400	1.515	1,442.000
3,105	3,398	3,380	2,843	2,957	2,892
3,343	3,340	3,407	3,402	3,419	3,423
125	153	130	150	155	174

City of Bellmead, Texas

Capital Asset Statistics by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014
General Government					
Area of City (square miles)	NC	6.21	6.21	6.21	6.21
Public Safety					
Police					
Police Stations	1	1	1	1	1
Firing Ranges	1	1	1	1	1
Patrol Vehicles	NC	12	12	12	12
Other Police Vehicles	NC	NC	6	6	6
Animal Control Vehicles	NC	1	1	1	1
Fire					
Fire Stations	1	1	1	1	1
Fire Apparatus	7	7	7	7	7
Other Vehicles	2	2	2	2	2
Public Works					
Buildings	2	2	2	2	2
Paved Streets (miles)	62.63	62.63	62.63	62.63	62.63
Unpaved Streets (miles)	1	1	1	1	1
Curb and Gutter (miles)	30	30	30	30	30
Vehicles	20	20	20	20	20
Parks and Recreation					
Civic Center	1	1	1	1	1
Parks	4	4	4	4	4
Pavilions	6	6	6	6	6
Playgrounds	3	3	3	3	3
Jogging/Walking Trails	1	1	1	1	1
Senior Centers	1	1	1	1	1
Splash Pad	1	1	1	1	1

2015	2016	2017	2018	2019
0.21	6.21	6.21	6.21	6.21
1	1	1	1	1
1	1	1	1	1
15	15	15	15	15
6	8	9	9	9
1	1	1	1	1
1	1	1	1	1
7	7	7	7	5
2	2	2	2	2
2	2	2	2	2
63.10	63.10	63.10	63.10	63.10
1	1	1	1	1
30	30	30	30	30
20	20	20	20	20
1	1	1	1	1
4	4	4	4	4
6	6	6	6	6
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1

City of Bellmead, Texas
Capital Asset Statistics by Function (Continued)
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Water					
Rated Daily Capacity (gpd)	3,067,200	3,067,200	3,067,200	3,067,200	3,067,200
Storage Capacity (gallons)	4,856,000	4,856,000	4,856,000	4,856,000	4,856,000
Water Mains (miles)	60	60	60	60	60
Water Wells	5	5	5	5	5
Fire Hydrants	321	322	322	322	322
Sewer					
Sanitary Sewers (miles)	43.80	43.80	43.80	43.80	43.80
Manholes	568	568	568	568	568

NC: Not Collected

2015	2016	2017	2018	2019
3,067,200	3,067,200	3,067,200	3,067,200	3,067,200
4,856,000	4,856,000	4,856,000	4,856,000	4,856,000
60	60	60	60	60
5	5	5	5	5
326	326	326	326	326
43.80	43.80	43.80	43.80	43.80
573	573	573	573	573



City of Bellmead, Texas

Waterworks and Sewer System Revenue Bond Tables Monthly Water and Wastewater Rates (Effective 10/1/2019)

Water Rates

Water Consumption (gals)	Residential	Sprinkler	Commercial	Outside City Limits
0 - 2,000	\$ 17.00	\$ 17.00	\$ 17.00	\$ 25.50
>2,000	\$ 3.50/1,000	\$ 5.50/1,000	\$ 3.96/1,000	\$ 5.25/1,000

Wastewater Rates

Water Consumption (gals)	Residential	Commercial
0-1,000	\$ 9.50	\$ 9.50
1,001-5,750	\$ 2.50/1,000	\$ 2.50/1,000
>5,751	-	\$ 2.50/1,000

All multiple units will be charged a minimum bill for Water and Wastewater for each unit, as well as a residential rate on water and wastewater, regardless of the number of water and wastewater taps they have.

City of Bellmead, Texas

Waterworks and Sewer System Revenue Bond Tables

Waterworks and Sewer System Condensed Statement of Operations

	Fiscal Year			
	2013	2014	2015	2016
Revenues: (1)	\$ 2,681,105	\$ 2,760,460	\$ 2,653,876	\$ 2,758,010
Expenditures: (2)	\$ 1,528,841	\$ 1,523,105	\$ 1,667,878 ⁽³⁾	\$ 2,079,183
Net Available for Debt Service	<u>\$ 1,152,264</u>	<u>\$ 1,237,355</u>	<u>\$ 985,998</u>	<u>\$ 678,827</u>
Customer Count:				
Water	3,389	3,454	3,455	3,506
Sewer	3,276	3,356	3,357	3,408

(1) Revenues do not include developer contributions for donated water and sewer lines.

(2) Expenditures do not include depreciation.

(3) During Fiscal Year 2015, two of the City's water wells failed and were replaced at a one-time cost of \$350,000.

2017	2018	2019
\$ 2,771,776	\$ 3,472,778	\$ 3,999,175
\$ 2,425,847	\$ 2,539,107	\$ 1,848,138
\$ 345,929	\$ 933,671	\$ 2,151,037

3,517	3,577	3,569
3,419	3,419	3,411